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RESPONDS TO McHUGH QUERY

Arnall Hits Again At 'One-State Regulation'

Responding to an inquiry from the counsel of the O'Mahoney anti-monopoly investigation of insurance, former Georgia Gov. Ellis Arnall, chairman of National Assn. of Life Companies and of Coastal States Life, has put some additional zip into his earlier attack on New York's "one-state regulation" of insurance and "the continuing effort being manifested to bring about monopoly control of the life insurance industry by the big companies."

Donald P. McHugh, the anti-monopoly subcommittee's counsel, had requested a copy of the talk that Mr. Arnall gave July 23 at the annual convention of NALC at Chattanooga, Tenn., in which he commented on certain restrictive practices in the life insurance business that he felt constituted a threat to state regulation. Mr. McHugh also requested any other information that Mr. Arnall might wish to bring to the attention of the subcommittee.

Threat To State Sovereignty

"When addressing the convention, I referred to the fact that there is a growing concern in the minds of many about one-state efforts to control and dominate the life insurance business through extraterritorial orders and regulations," Mr. Arnall wrote Mr. McHugh. "This dangerous practice can best be stopped not by resort to federal control or interference but by an increased awareness that here is a serious threat to the sovereignty of each of our 49 other sovereign states; that state insurance commissioners must resist any tendency to passively permit extraterritorial orders and regulations of the insurance department of any one state to control the insurance industry in every state; that the exercise by each state of its own independence of action and determination of what is best for the life insurance

industry and the public in that particular state must be the accepted criterion of state sovereignty."

Mr. Arnall said National Assn. of Life Companies believes each state should be free to experiment as respects what type of insurance policies best suit its own people and what laws and regulations best protect the interests of its citizens.

"We do not believe that all of the ingenuity and ability and judgment and intelligence is peculiar to or domiciled in any one state," he asserted. "We believe that the overwhelming majority of state insurance commissioners are able, dedicated, patriotic officials, fully measuring up to their responsibilities, obligations and duties."

"Our fight is for state sovereignty and the right of state insurance commissioners to control the insurance

(CONTINUED ON PAGE 9)

Securities Dealers Act To Bar Variable Annuity Exemptions

WASHINGTON—Protesting that variable annuity insurers should be regarded as no different from the general run of investment companies, National Assn. of Securities Dealers and National Assn. of Investment Companies have urged the Securities & Exchange Commission to exercise "meticulous" care in deciding on the applications in which Variable Annuity Life and Equity Annuity Life, both of Washington, D.C., seek exemptions from certain provisions of the investment companies act of 1940.

NASD and NAIC have been granted permission by SEC to be heard in the exemption proceedings and to present oral arguments in hearings that SEC is scheduled to conduct soon.

The NASD-NAIC joint brief contends that the two variable annuity companies have failed to produce adequate evidence that the exemptions they seek are "necessary or appropriate in the public interest and consistent with the policy and provisions of the act."

However, some of the exemptions sought would be acceptable to NASD-NAIC if modified to include certain suggested conditions that the two companies indicated in recent preliminary hearings they would be willing to accept.

**National
Fraternal
Congress**

Insert On Pages 13-17

R. B. Mecklenborg Appointed Editor Of DLB Agent's Service

Robert B. Mecklenborg has been appointed editor of the Diamond Life Bulletins Agent's Service, published by the National Underwriter Co. He succeeds Jack Duce, who recently became assistant managing director of American Society of CLU.

Mr. Mecklenborg entered life insurance on graduation from University of Cincinnati in 1949. As an agent of Northwestern Mutual, he won company production awards in 1951, 1952 and 1953 and in recent years has led the Cincinnati agency in paid lives with an average paid volume of \$600,000 a year. He was a member of the company's Fifty Lives and Half-Million-and-Over clubs.

Became CLU In 1955

After receiving the CLU designation in 1955, Mr. Mecklenborg was made supervisor at Cincinnati and then became the agency's first district agent in the area, with an office in the Western Hills section. In addition to developing his district agency, he has maintained a high rate of personal production. For the most recent company production year, he again led the general agency in paid lives and ranked fourth in total volume. He received a special production award in May, when he paid for \$179,000 on 17 lives.

Mr. Mecklenborg has been an instructor in LUTC part II and in Northwestern's initial and intermediate courses. He has been a member of the Ohio Leaders Club for five consecutive years. He is vice-president of the Cincinnati Life Underwriters Assn. and is serving as program chairman. He was membership chairman last year.



R. B. Mecklenborg

N. Y. Will Clarify Sections 1 And 3 Of Regulation 39

Discrimination And Fifth Dividend Option Portions Most Widely Misunderstood

By ROBERT B. MITCHELL

NEW YORK—The New York department is putting the finishing touches on a set of administrative rules clarifying certain passages in regulation 39, which restricts the issuance of high early cash value policies on which minimum deposit plans are based.

These passages have been found confusing by companies involved in the issuance of these policies and by some that are not but are nevertheless concerned lest some of the restrictions apply to other types of policies than those at which the regulation was generally understood to be aimed.

Confer On Clarification

The department has conferred with company experts to determine more precisely what is unclear about the regulation and how it can best be clarified. When the administrative rules have been put into final form, which may have occurred by the time this issue has been printed, the department may send them to all companies licensed in New York, but a decision on this had not been reached at press-time.

The confusion is mainly confined to section 1 of the regulation, dealing with discriminatory high cash values, and section 3, dealing with the so-called fifth dividend option, which is used to purchase term insurance to offset the decrease in protection due to the policy loan.

There will be no letup in the prohibition against full first-year reserves being made available for loan

(CONTINUED ON PAGE 9)

Wyoming's Ordinary Sales Gain In Aug. Leads Other States

Wyoming led the country in percentage increase in ordinary life sales during August, while Alaska ranked second and New Hampshire third, according to LIAMA.

Countrywide, ordinary business increased 6% in August, while Wyoming sales gained 38%. In Alaska, August sales were up 32% and in New Hampshire, 24%.

For the first eight months of the year, with national ordinary sales up 7%, Arizona led with an increase of 27%, followed by Mississippi with a percentage gain of 20%. Georgia took third place with a percentage rise of 19%.

Maple Syrup For Gov. Rockefeller



The presentation was made at a Vermont maple breakfast served to 450 people in New York's Hotel Commodore and sponsored by National Life in conjunction with the annual convention of Mortgage Bankers Assn. of America.

Vermont salesman, Gov. Robert T. Stafford, left, gives a sales pitch to Gov. Nelson A. Rockefeller on the superiority of Vermont maple syrup as he presents a gallon of it to the New York governor. Looking on is Ernest M. Hopkins, chairman of National Life of Vermont, who was president of Dartmouth College when Gov. Rockefeller was a student there.

Claris Adams' Outstanding Record Cited At Russell Award Ceremony

The outstanding record and service to life insurance of Claris Adams, vice-president and general counsel of American Life Convention, were set forth in the following citation read by Stanley Collins, Metropolitan Life, New York City, past president of NALU and chairman of the John Newton Russell award committee, at the fellowship brunch that concluded the National Assn. of Life Underwriters annual convention at Philadelphia.

Mr. Adams' selection for the 1954 Russell award for service to the institution of life insurance above and beyond the call of duty was reported in a late news bulletin in last week's issue of *The National Underwriter*.

Here is the text of the citation:

Claris Adams, you have achieved a nationwide reputation as a dynamic force in the life insurance business, first identified with it as secretary and general counsel of the American Life Convention at St. Louis in 1926. Possessing a well-beloved personality, you are recognized as an indefatigable worker with a record of significant and manifold contributions to our industry.

Upon affiliation with the business you quickly became a well-informed and acute observer of the wide-spreading insurance scene. You acquitted yourself splendidly as an outstanding protagonist of life insurance and its beneficent effects. Leaving the convention in 1929, for seven years you served as vice-president of the American Life of Detroit, and then for over 17 years you demonstrated great capacity and achieved conspicuous success as president of the Ohio State Life Ins. Co.

Active In Community Work

Many-faceted were your activities in civic movements for community benefit. In Indianapolis, you taught one of the nation's largest Sunday school classes. In Columbus, you held the community chest presidency and chairmanship, war chest vice-presidency, regional C.E.D. chairmanship, Boy Scouts regional board directorship plus valuable service to chambers of commerce, local and national.

Your proven capabilities and general contributions to the common cause earned for you election to the presidency of the American Life Convention for 1945-46, after three prior years on its executive committee. Enhancing your stature further were these additional deserved recognitions in our business: board chairman, Institute of Life Insurance, 1944-45; director, Life Insurance Assn. of America, 1952-54; and director, Life Insurance Medical Research Fund.

Served ALC-LIA Tax Unit

Outstanding service was given to the business through 12 years of association with the joint ALC-LIA life company federal income tax committee, as a member, as chairman for four years, and later in important staff capacities.

Completing the circle, in 1954 you were persuaded to return to your first

life insurance love—the American Life Convention—as executive vice-president and general counsel. You justifiably felt that the position presented a challenge and worthwhile opportunity for additional important service, bringing to the Washington scene a backdrop of political and diplomatic acumen.

Talent For Persuasion

In an atmosphere of important national affairs your great talent for persuasion was indeed a most valuable asset. Your keen perception and appreciation of the complex insurance matters at both the federal and state levels were thus fully utilized to the advantage of your organization and the business as a whole.

A collier of trenchant phrases, a past master in the art of vivid and

(CONTINUED ON PAGE 26)

LAA To Feature Panel Discussions On Policyholder Relations

"Policyholder Relations" is the theme of a seminar to be held on the closing afternoon of the annual meeting of Life Insurance Advertisers Assn. at Chicago, Oct. 26-28. Sponsored by the educational committee of LAA, the seminar will be under the direction of Royden C. Berger, Connecticut Mutual.

To Feature Panels

The seminar will feature two panels, the first to be devoted to the general area of "What Can Be Done to Improve and Increase Home Office-Policyowner Contacts?" It will be moderated by A. H. Thiemann, New York Life. J. H. Warner, Aetna Life, will lead the second panel in discussing "How Can We Help and Encourage Agents to Build Closer Policyowner Relations?"

Basis of the seminar is a questionnaire sent to each member of LAA. Panelists will report on the wide range of policyholder relations projects now being carried out by member life insurance companies, including policyholder reaction to general company correspondence.



Berkshire Life's new \$2.5 million home office building into which the company staff recently moved from its old quarters in the center of Pittsfield, Mass. The new building, with red brick exterior and marble trim in Georgian colonial style, was designed to fit in with the rural setting just south of Pittsfield in the heart of the Berkshire Mountains. The structure is topped by a towering gold-domed cupola. Exterior walks and steps are laced with pipes, through which hot water and anti-freeze solution are carried to melt winter snow and ice. The new building has some 75,000 square feet of work area, about 50% more than the old quarters. Features of the interior include a central core of offices surrounded by work areas formed by movable partitions, which are covered with glass, burlap, brightly hued plastics and wood veneer; offices in the executive suite decorated in traditional style; a heating system that doubles as an air conditioning system in summer and a large wall mural in the cafeteria painted by illustrator Norman Rockwell to be installed later.

LOMA HEARS

'One-Stop Agent' One Monthly Check Foreseen By Scott

David G. Scott, 1st vice-president and actuary, Continental Assurance, predicted the eventual emergence of the "one-stop" insurance agent in a panel presentation at the annual conference of Life Office Management Assn. at the Edgewater Beach Hotel, Chicago.

Mr. Scott, one of six speakers in a panel discussion, said the "one-stop" agent would attempt to furnish a complete insurance service—one that would include fire, life, casualty and health.

Since there will be a one-stop agent, Mr. Scott said, what is more natural than to have one monthly check to cover all of the insurance premiums? It is now possible to cover fire insurance, A&S, and life in one monthly check in a number of organizations. The methods used are still in the experimental stage and will undoubtedly be greatly modified so as to include still other forms of insurance.

"I believe present procedures are still somewhat more cumbersome than those we will some day develop, especially those necessitated by the inclusion of a one or three-year fire premium in a package with the regular life insurance and A&S premiums."

Referring to the decision of New York state to end minimum deposit plans Nov. 1, he observed that "the chances are we may be at the beginning of a trend toward higher early cash values for all plans than we have been accustomed to heretofore." He pointed out that the forces that made bank loan or minimum deposit plans so popular still exist: High income taxes, loan interest is still a deductible item, and some people still believe that it is possible to invest more profitably in real estate and common stocks than in life insurance cash values.

"It would be remarkable if policies were not developed with these demands in mind," Mr. Scott declared.

Another field that life companies are

(CONTINUED ON PAGE 24)

LOMA Names Bader To Succeed Lane At Chicago Rally

Need To Keep Growing Is Stressed At Annual By Stellar Speakers

Some 1,000 life insurance executives converged on Chicago this week, meeting at the Edgewater Beach Hotel for the three-day annual conference of Life Office Management Assn.

Charles H. Bader, administrative vice-president Interstate L&C., was elected president to succeed Everett H. Lane, president Boston Mutual Life. Merrill R. Taber, vice-president and secretary Berkshire Life, was named 1st vice-president and Charles B. Laing, vice-president Prudential, was elected 2nd vice-president.

Directors elected for three-year terms are Lloyd M. Dalglish, vice-president and executive secretary London Life; Charles G. Groeschel, comptroller Northwestern Mutual Life, and C. C. Hamlet, vice-president and secretary Home Security Life.

Membership At New High

Following the election, Roy A. MacDonald, LOMA managing director reported on the progress and accomplishments of the association and noted that membership has reached a record high of 357 and the number of students enrolled in LOMA Institute courses had also attained new levels.

Travis T. Wallace, president Great American Reserve, in an inspirational address on "What Price Progress" reminded his listeners that their greatest asset was their capacity for growth.

(CONTINUED ON PAGE 27)

Occidental Of Cal. To Study Possible Sites For New Home Office

Occidental Life of California has invited Los Angeles real estate and building interests to suggest possible sites for a new home office building.

In a letter directed to prominent business men, President Horace W. Brower said any proposed site must accommodate a multi-story building with approximately 750,000 square feet to house 4,500 to 5,000 employees. The company currently employs 3,000 people in its home office. He pointed out that the company prefers a location in or readily accessible to the downtown Los Angeles area.

"Our present and projected rate of growth will probably require us to start construction of a new home office building, or expansion of our present facilities on adjacent property we own, within the next two or three years," Mr. Brower said.

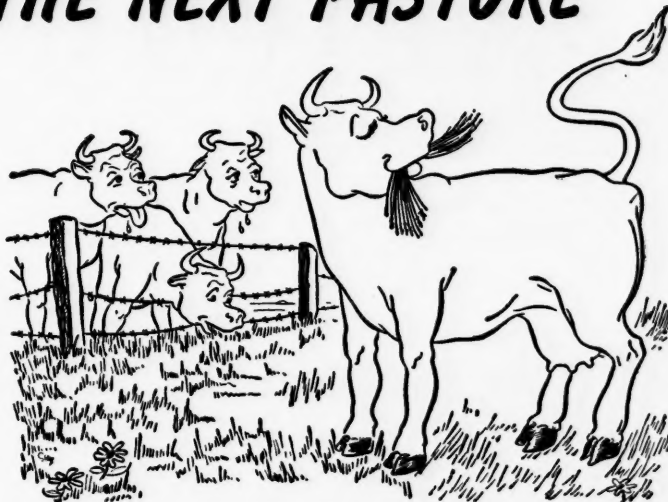
Occidental's present home office is in downtown Los Angeles was acquired in 1947 when the company employed 923 people. It is fourth home office since the company was founded in 1906.



Merrill R. Taber

THIS IS THE NEXT PASTURE

This ad is becoming an institution. For the fourth time, figures have been revised very substantially . . . upward.



Grass is always supposed to be greener in the next pasture. That's why they have fences for cows. And that, too, is why there are globe-trotters, and divorce courts, and dissatisfied life insurance salesmen.

But Franklin salesmen don't bother looking over fences with that day-dreaming light in their eyes. They know that the grass is greenest right where they are. Last year the hundred leading Franklin representatives averaged \$37,070.98 in commission earnings. The 100th man earned \$19,708.93. The 200th man earned \$13,936.21. And the 300th received \$10,717.82.

(Figures as reported to Internal Revenue Service.)

That's lots of alfalfa!

So if you are suffering from wallet-anemia, and have developed a roving eye for the fields beyond the fence, take a look at a Franklin Agency contract. It assures contentment, with an ample supply of "long green."

An agent cannot long travel at a faster gait than the company he represents!



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

The largest legal reserve stock life insurance company in the U.S. devoted exclusively to the underwriting of Ordinary and Annuity plans
Over Three and a Half Billion Dollars of Insurance in Force



Participants In NALU Convention Last Week At Philadelphia

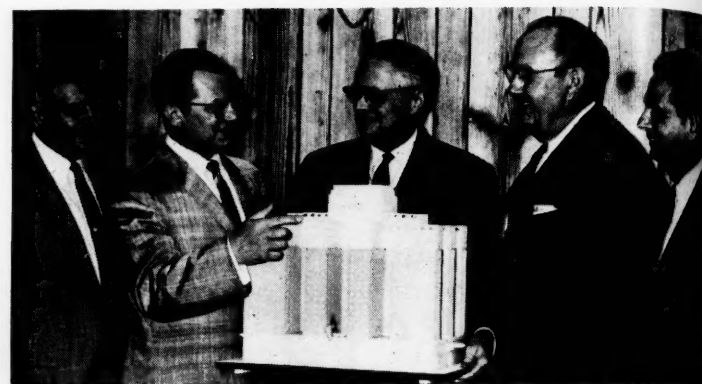


Two past presidents chatting at the NALU annual: Left, Albert C. Adams, John Hancock, Philadelphia, and John D. Moynahan, Metropolitan Life, Berwyn, Ill. Mr. Adams is chairman of the functions and activities, group and social security committees.



At the NALU luncheon of the board and the executive secretaries: Clarinda P. Reighard, executive secretary of the Pennsylvania association, and William E. North, New York Life, Evanston, Ill., newly elected NALU secretary.

At the luncheon of NALU which U.S. Treasurer Ivy Baker Priest addressed: From left, L. Kent Babcock, Aetna Life, general chairman of the local convention committee; Mrs. Thelma Davenport, Northwestern Mutual, Washington, D.C., official hostess to Mrs. Priest and liaison for the women underwriters committee with the Department of Labor, and Miss Hedwig Eichenberg, Kansas City, membership chairman of the women underwriters committee.



Officials of Illinois State Assn. of Life Underwriters and the Chicago association being presented with a replica of the Conrad Hilton Hotel by MacLaren E. King, the hotel's director of sales. The model was taken to the NALU annual meeting last week at Philadelphia and was on display in the Illinois headquarters, since the national association will hold its 1960 annual rally at Chicago in the Conrad Hilton. Shown, from left, Earl M. Schwemm, manager General West Life and state national committeeman; Gerhard C. Krueger, Equitable Life of Iowa, president Illinois association; Mr. King; George H. Schuermann, Union Central Life and president of the Chicago association, and Roy D. Smith of Penn Mutual Life, national committeeman for Chicago. All are of Chicago.



United States Treasurer Ivy Baker Priest, who addressed the luncheon Monday at the NALU convention in Philadelphia, and Miss Helen Rupp, Prudential, St. Paul, chairman of the women underwriters committee, which sponsored the luncheon.



A new approach to your professional career

Build your own agency on the strong foundation of
Central Standard Life's new career contract which offers:

- Renewals completely vested for the premium paying period of the policy, plus . . .
- Top first year commissions.
- Company sponsored education.
- Tested, proven direct mail aids.
- All new A & S program.
- High value, low premium Life Plans.
- Liberal underwriting.
- Agent-Agency building philosophy.

Substantial Override for General Agents—

Build your own agency • Plan for your retirement
Create an estate for your family

"The secret of success is Constancy to Purpose"
Our success has been achieved with our career men and women.

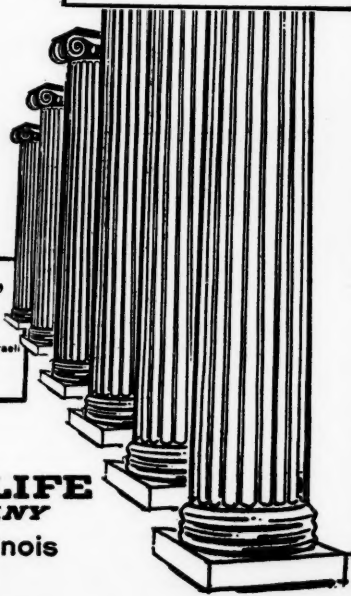
See for yourself

Write or wire today for your "new approach" agent's kit. Get full details by contacting your local Central Standard General Agent or: John M. Laflin, Vice President and Agency Director.

CENTRAL STANDARD LIFE
Founded in 1905 • INSURANCE COMPANY
211 W. Wacker Drive Chicago 6, Illinois
Life • Accident • Sickness



In Force: \$357,405,424
Assets: \$107,284,880
Surplus: \$14,591,874



Now she can be taller than his is
Ilen Putnam, National Life of Vermont,
Rochester, N. Y., trustee, who is chairman of the estate planning committee and NALU President Oren D. Pritchard at the NALU annual meeting.

EAST LIFE CONTROLLER \$16,500.

Large, well known Eastern Life Company established 75 years ago. Present Controller is retiring shortly. Ideal opening for Controller interested in a position with an organization offering wide range responsibility and greater overall income potential. We also recommend this opening to individuals presently functioning as Assistant Controller equipped to handle top spot.

EMPLOYER SPECIFICATIONS: age range 45, accounting degree mandatory. A minimum of 10-15 years Home Office experience as Controller or Assistant Controller. Comprehensive experience on annual statement taxes, working with Insurance Department, etc. necessary.

Employer pays our service charge and moving expenses. Position listed above is one of hundreds available throughout country on executive level. Write for WE OPERATE.

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Harrison 7-9040
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Legal, Financial Section Programs Set For ALC Parley

Programs have been announced for the Legal Section, and Financial Section, of American Life Convention at the annual meeting Oct. 12-16 at Chicago.

Speakers and papers to be delivered at the Legal Section meeting are: Harold T. Swartz, assistant commissioner of Internal Revenue, "Function and Operation of Office of Technical Organization of Commissioner of Internal Revenue;" Robert Boochever, Faulkner, Banfield & Boochever, Fairbanks, Alaska, attorneys, "The Life Insurance Law of Alaska;" Ralph H. Gaster, general counsel of ALC, "Review of Life Insurance Legislation 1959;" Harold V. Cleveland, associate counsel John Hancock, "The Status of Self-insured Employee Benefit Plans under the Insurance Laws;" Charles P. Scully, counsel California State Federation of Labor (AFL-CIO), "A Labor Lawyer Looks at Life Insurance."

Luncheon speaker for the Legal Section will be John D. Randall, president of American Bar Assn. His subject will be the "Role of the Lawyer in Society Today."

Two panels will conclude the legal section program. One on "Variable Annuities—Some Aspects," will include Robert A. Crichton, attorney of Charleston, W. Va., and former president and general counsel of Variable Annuities Life, and P. L. Thornbury, vice-president and general counsel

Smith Decries Cuts In Insurance Department Funds

Following the action of the Pennsylvania senate appropriations committee in reducing the insurance department's budget by \$63,000, Commissioner Smith said that his department will be seriously affected, particularly with regard to the proposed plan to regulate A&S rates. The bulk of the department's expanded program lies in this area, Mr. Smith declared, and if the reduction is sustained, the attorney general's directive to regulate A&S rates will be meaningless.

Mr. Smith also noted that the committee had deleted from the budget \$100,000 for the governor's hospital study commission. This amount would have covered only a small part of the indicated cost of well over \$300,000. Interested groups, including Blue Cross and Blue Shield, have pledged at least \$200,000. If the senate does not appropriate \$100,000, it will be impossible to discover the reasons for the continuing rise in medical care costs in Pennsylvania, Mr. Smith declared.

Companion Life Moves Home Office To New Quarters

Companion Life has moved the home office from 345 Madison Avenue, New York, to expanded quarters at 230 Park Avenue. The new space is adjacent to the headquarters of the parent company, Mutual of Omaha.

Eastern departments of Mutual of Omaha are also housed in the new quarters and include offices of the eastern general counsel, the independent service bureau and the New York regional group office.

Nationwide Life. The second panel discussion, "Politics: Discussion of Principles for Use in Presentation of Life Insurance Matters to Legislators, Elected and Appointed Officials," will have James P. Swift, vice-president and general counsel Southwestern Life; Leland B. Groezinger of Allan, Miller, Groezinger, Keesling and Martin, San Francisco attorneys; and Harry W. Colmery, president and general counsel, Pioneer National Life.

Financial Section speakers are John D. Wilson, vice-president of economic research and publications department Chase Manhattan Bank, "Outlook Ahead—Prospects and problems," Albert C. Ashforth, president of Canadian Chamber of Commerce, "O Canada;" Gen. William H. Draper Jr., chairman Mexican Light & Power, "The Responsibilities of Private Capital in the Foreign Field;" Edmund W. Tabell, director of institutional research Walston & Company, New York, "The Stock Market Outlook for the Short and Long Term;" and Donald S. Kennedy, president of Oklahoma Gas & Electric Co. "Russia Revisited."

Midwest Unit Of IASA Meets At Kansas City

The fall conference of the midwest chapter of Insurance Accounting & Statistical Assn. produced an attendance of 130 fire, casualty, life and A&S company representatives from six states last week at Kansas City. F. W. Duboc, Western Casualty, the president, presided.

Speakers at the first session were H. C. Krogh, associate professor at the University of Kansas, who discussed current trends in insurance, and R. J. Rose of Bendix Aviation, whose subject was development of employe and management skills. That afternoon J. P. Glennon, Peat, Marwick, Mitchell & Co., talked on "What Companies Can Do In Advance to Prepare For An Examination." The remainder of the afternoon was divided into group meetings for fire and casualty and life and A&S. On the final morning, R. W. Beebe Jr. of Midwest Research Institute discussed "Functional Cost Accounting," and the final sessions consisted of group meetings discussing

Elect Callahan Head Of Wisconsin A&H Assn.

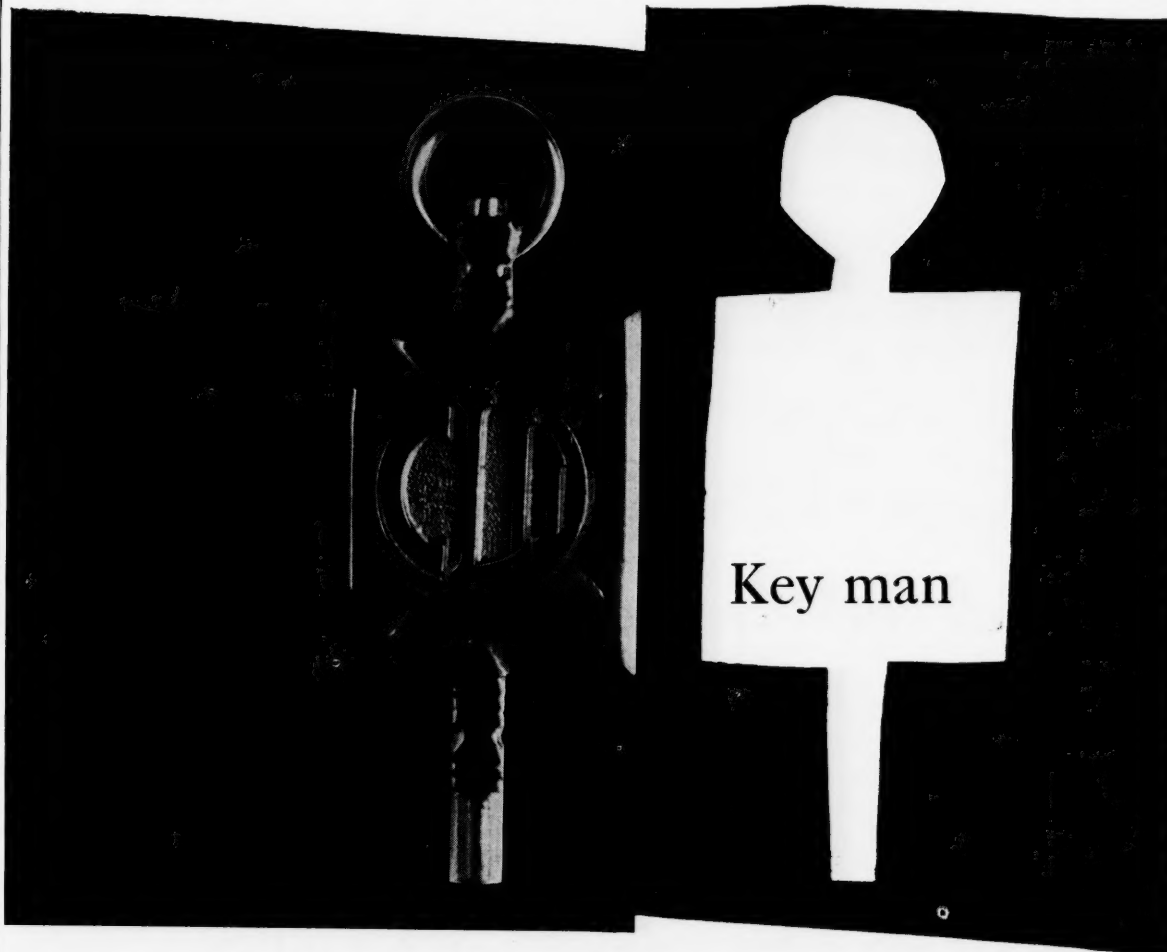
Thomas E. Callahan, Time of Milwaukee, Milwaukee, has been elected president of Wisconsin Assn. of A&H Underwriters to succeed Harold Fair, Inter-State Assurance, Madison.

New vice-presidents are Alfred E. Perego, National L&A., Milwaukee; Edward L. Dunn, Time of Milwaukee, and Norman Kleist, Continental Casualty, Eau Claire. Leo E. Packard of the Packard-Carson agency, Milwaukee, is secretary, and Charles B. Stumpf, Illinois Mutual L&C., is treasurer.

The officers and directors held their first meeting of the new season at Milwaukee and were also guests at the luncheon of the Milwaukee association. Luncheon speaker was Rollie M. Slotten, Inter-State Assurance, Des Moines, and president of the Iowa association.

case histories of the use of electronic computers for policywriting, and accounting and statistical work.

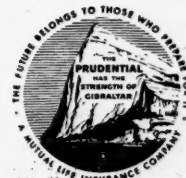
You'll enjoy "THE TWENTIETH CENTURY," Sundays, CBS-TV



The man who has earned the right to wear this coveted key—signifying that he is a CHARTERED LIFE UNDERWRITER—is a "key man" in every sense of the term. His successful completion of this specialized study program has earned him the respect of the industry and the public alike. The Prudential Insurance Company is proud that 536 of its employees have earned this professional designation and that, during 1959, 61 more completed the C.L.U. examinations. In addition, 350 Prudential employees passed one or more parts of the C.L.U. course this year. The C.L.U. Agency Management course was successfully com-

pleted by six employees, and 26 others passed one of the two parts.

Prudential congratulates, too, the 1,228 employees who, this year, brought to 6,045 the number of Prudential Life Course Graduates of the Life Underwriter Training Council Course. Another 2,290 completed one part of the Life Course in 1959. With 777 having successfully completed the Accident and Sickness Course, there are now 2,848 Prudential graduates of this area of study. To graduates, successful candidates and all who have chosen these paths to self-improvement . . . the Prudential salutes you.



The Prudential
INSURANCE COMPANY OF AMERICA

LIFE INSURANCE • ANNUITIES
SICKNESS & ACCIDENT PROTECTION
GROUP INSURANCE • GROUP PENSIONS

Aims Of Life Insurance Companies Listed By Zimmerman At LOMA Annual Rally

Life insurance companies will achieve all of their individual aims more readily if they keep their sights trained on one all-embracing aim: That of extending the benefits of life insurance—more adequately and more efficiently—to more people. This was the keynote of an address by Charles J. Zimmerman, president Connecticut Mutual Life, at the concluding session

of Life Office Management Assn.'s annual meeting. In this way, he said "we help other men to achieve their own aims and aspirations by providing an insurance way of life."

In pursuing the major aim of extending the benefits of life insurance more adequately and more efficiently to more people, it is necessary to take into account the interests of three

groups of people most important to the industry's success. Mr. Zimmerman identified these groups as "our policyholders, our home office associates, and our field associates." In considering the interests of policyholders, he referred to the "bitter fight waged within and without our business earlier this year over federal taxation of life insurance companies," and pointed out that companies do not pay taxes. Only people pay taxes.

"You know what happened on the tax: An average hike of 55%. In our own company," he noted, "it ran to

72%. I say with certainty that there will be no dividend increase for our company at this time. Thanks to continued high interest yields, we are probably going to be able to avoid a cut. But any way you look at it, we are adding less to surplus than we would otherwise—which means less held in reserve for the protection of policyholders.

Best To Tell Truth

"Should we soft pedal this kind of talk? Will it have an adverse effect on sales? Apparently some insurance officials say 'Yes' on both counts. I cannot agree. In my opinion, this is short-sighted. In the long run, we never go wrong by telling the truth. And the truth is that increased taxes result in increased life insurance costs. If we say otherwise we are not keeping faith with our policyholders. We are also destroying our best argument for the defense when the next proposal to increase taxes is made, as surely will be."

Mr. Zimmerman, a former agent and general agent of Connecticut Mutual and managing director of LIAM, emphasized that, among its other aims, a company should demonstrate faith in its field forces, and backstop its faith with down-to-earth, helpful, everyday service from the home office.

Keep Points In Mind

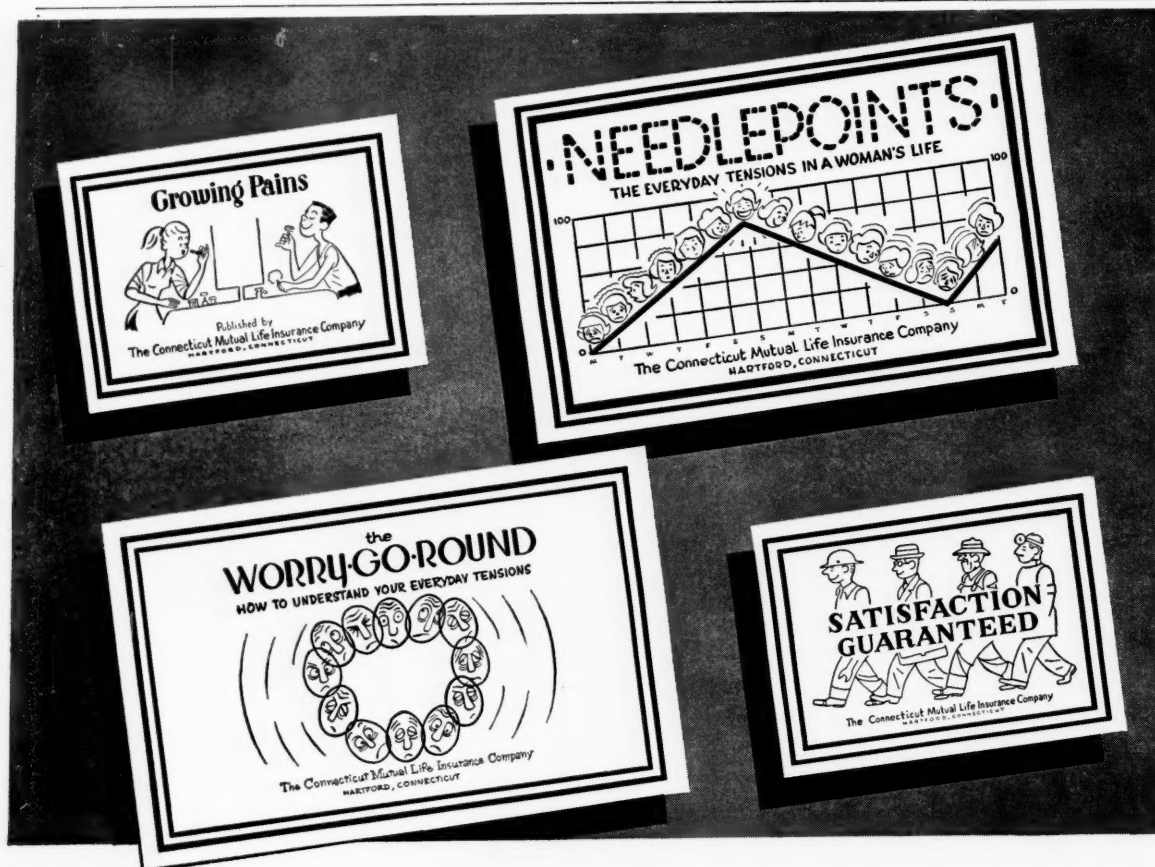
All home office employees, he stated, regardless of their positions, should keep these questions in mind: Can we speed action on a pending case? Can we give the agent the benefit of the doubt in a tough and go situation? Can we do "just a little extra" to provide our agent with the information he has requested? Can we give him a slap on the back when he does a good job?

Turning to his third group—home office employees—the speaker said: "One of our aims in this area is to put more challenge and fun into the jobs we ask people to do. Something needs to be done to reverse the disturbing trend in all business and industry today toward breaking down a job to such a fine point that it offers no challenge—and very little fun." He referred to studies made by Selig Roebuck which show that where jobs have been broken down to a fine point, low output and low morale result. In contrast, where jobs call for a sustained effort and the performance of a more complete set of tasks, workers have the highest level of enthusiasm for their jobs.

Aim To Handle Inflation

Another major aim of the life insurance business should be to handle the spectre of inflation, he observed. Life insurance is being challenged in many quarters today as a good investment and a means of saving money. "Most men whom I know save and invest their money with just two goals in mind: They want protection for their family, and they want to build something for themselves at the same time. There is one sure way to accomplish both goals at the same time: this is through permanent life insurance."

"For most men it is not a question of whether to buy stocks or life insurance, mutual funds or life insurance, real estate or life insurance. It is a question solely of priorities. For most men, an adequate amount of permanent life insurance must be their number one priority, because only life insurance can guarantee the first of their objectives—protection."



Four Million Copies Distributed

550 newspapers reprinted these booklets—35 million readers

These four booklets are the focal points of Connecticut Mutual Life's Human Relations Program. Illustrated with cartoons, they are our contribution to helping people understand themselves and get along with one another.

Literally thousands of individuals, organizations and publications, in this country and around the world, have distributed or reprinted these booklets for people they knew would be interested. Mental and public health officials, clergymen, physicians, educators, editors, executives and personnel men—the list of those interested is endless.

"The Worry-Go-Round" is subtitled "How to understand everyday tensions" and deals with the common anxiety problems of businessmen.

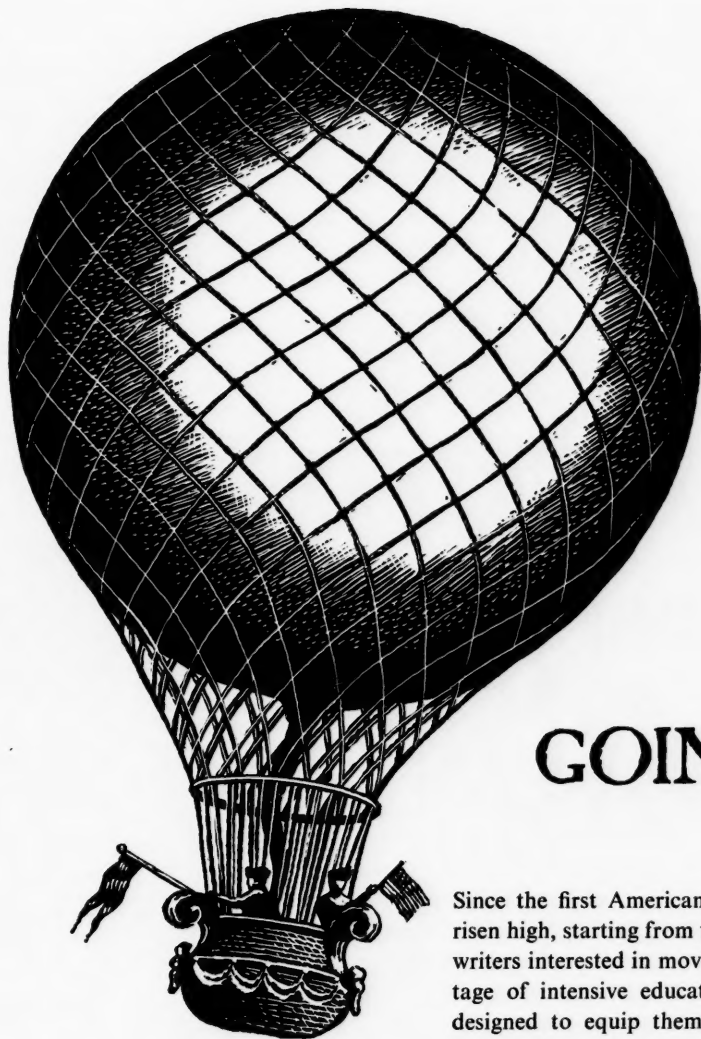
"Needlepoints" entertainingly illustrates problems of emotional tension in the routine life of a wife and mother.

"Growing Pains" helps parents and all who deal with children and teen-agers understand how to deal with special problems that arise in the lives of the coming generation.

"Satisfaction Guaranteed", newest of the series, tries to help people understand themselves better so they'll be happier in their work.

If you haven't seen these valuable, entertaining booklets, we shall be delighted to send them to you. Write to our Human Relations Program.

Connecticut Mutual Life
INSURANCE COMPANY • HARTFORD

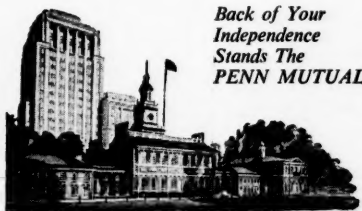


The first air voyage in America was made in 1793 from the land now occupied by the home office of The Penn Mutual.

GOING UP

Since the first American air voyage, many men have risen high, starting from this same historic spot. Underwriters interested in moving upward have taken advantage of intensive educational and training programs designed to equip them for all phases of successful selling—from advanced underwriting to estate planning and pension and profit-sharing plans. Whether they prefer to stay in direct sales work, or are more interested in sales supervision, management or General Agency work, they get full encouragement at The Penn Mutual.

That is because we firmly believe that *Penn Mutual opportunities should go to Penn Mutual men*. We recognize the fact that the success of the Penn Mutual man is our success—and that his future is our future.



*Back of Your
Independence
Stands The
PENN MUTUAL*

THE PENN MUTUAL LIFE INSURANCE COMPANY • INDEPENDENCE SQUARE • PHILADELPHIA

Bergen, Rickards Capture LIAMA's Article Awards

Bernard S. Bergen, general agent in New York City for Mutual Trust, and W. T. Rickards, manager in Salisbury, N. C., for Home Beneficial, are the 1959 award winners for the best article appearing in Manager's Magazine and District Management. The awards were presented by J. Harry Wood, managing director of LIAMA.

Mr. Bergen's article, "Building with Brokers," which appeared in the winter, 1959, issue of Manager's Magazine, presents his methods for developing a profitable brokerage business. Mr. Rickard's article, "Training through Clinics," published in the August, 1958, issue of District Management, describes how he uses the workshop approach in his district to drill and rehearse agents for successful careers.

The winners were selected by a panel of judges comprised of home office and field management executives from among LIAMA's member companies.

Southeastern Fire Enters Life Field

Southeastern Fire of Charlotte, N. C., has entered the ordinary life field through its subsidiary, Citadel Life, Spartanburg, S. C.

C. R. Pavey, former manager of Security-Connecticut Life at Louisville, has joined Citadel as vice-president and is directing its operations.

August ordinary sales of American Mutual Life were up 40% over August, 1958.

Vote Cosmopolitan Life Merger With Cherokee

The stockholders of Cosmopolitan Life of Memphis this week approved a proposal to affiliate with Cherokee of Nashville, a fire and casualty insurer. The proposal provides that Cherokee Life, a wholly-owned but heretofore inactive, subsidiary of Cherokee, is the surviving company.

The affiliation will be accomplished by an exchange of stock—4½ shares of Cosmopolitan for one Cherokee. There are currently 225,000 shares of \$5 par Cherokee shares outstanding and 1,012,500 shares of \$1 par Cosmopolitan.

Immediately prior to the stockholders' vote, H. W. Durham, who founded Cosmopolitan and headed the company until 1955, resigned from its board of directors in protest against the terms of the proposed affiliation, saying that an exchange based on a ratio of 3½ to one would be more equitable for Cosmopolitan stockholders.

Hawaii Managers' Assn. Elects Paul S. Rilett

Paul S. Rilett, Confederation Life, Honolulu, was elected president of the Insurance Managers' Assn. of Hawaii at the first meeting of the season at Honolulu.



Paul S. Rilett

He succeeds Walter Takiguchi. Other new officers are Gregory Ikeda, vice-president, and Charles H. Stubblefield, secretary-treasurer.

H. J. Johnson Wins New York Brokers Gold Medal Award

Holgar J. Johnson, president of the Institute of Life Insurance, has been selected as 1959 winner of the gold medal award of General Insurance Brokers Assn. of New York, for rendering "the most meritorious service to the insurance industry" during the year.

Presentation of the award will take place at the association's annual dinner at the Statler-Hilton Hotel, Oct. 22. James B. Donovan of the New York and Washington law firm of Walter & Donovan and last year's winner of the award will be toastmaster at the year's dinner.

Plans Stock Sale

A registration statement has been filed with SEC by Western Heritage Life of Phoenix for 500,000 shares of common stock to be offered to the public at \$2 a share. On shares sold by officers and directors of Western Heritage, no commissions are to be paid, but on those sold by salesmen employed by the company or by broker-dealers, the commission will not exceed 17%, or 34 cents a share.

From July, 1938 through May, 1959, Western Heritage was completing reorganization and selling an initial offering of stock. There are now outstanding 203,875 common shares of which 36,000 are owned by James Wood, president.

Franklin Life Conducts Schools

Sales training schools are being conducted by Franklin Life at Starved Rock Lodge, Utica, Ill., and at Hershey, Pa. Forty agents are attending the course at Starved Rock and 60 at Hershey.



are you HALFWAY PROTECTING your agency's future?

The best protection for future growth is to offer insurance *competitive in form and price*. The Security-Connecticut Group offers all forms of personal and business insurance, including life, accident, fire, casualty, group, automobile, marine, bonds. You can choose insurance designed to meet *realistically* the competition of direct writers.

Guarantee yourself a better future — take the first step by writing today, and judge for yourself what TODAY'S Security-Connecticut Group can offer you.

This fascinating booklet contains every important missile in the U. S. arsenal — each one in full color, identified by name, mission and manufacturer. And it's a treasure-trove of facts about up-to-date, streamlined insurance for every need too! Your clients will want this dramatic, useful booklet — tuned to our times, tailored to their needs — send for it now!



Multiple line stock company handling all forms of personal and business insurance including Life • Accident • Fire • Casualty • Group • Automobile • Marine • Bonds.



THE SECURITY-CONNECTICUT INSURANCE GROUP

SECURITY INSURANCE COMPANY OF NEW HAVEN

THE CONNECTICUT INDEMNITY COMPANY

SECURITY-CONNECTICUT LIFE INSURANCE COMPANY

HOME OFFICES: NEW HAVEN 5, CONNECTICUT

Arnall Again Assails One-State Regulation Efforts

(CONTINUED FROM PAGE 1)

business within the borders of their own states without becoming subservient to the mandates, orders or decrees of some other state, the insurance department of which may become overly ambitious and overly zealous."

Mr. Arnall said that another thing that has troubled NALC is what he called the continuing effort to bring about monopoly control of the life insurance industry by the big companies.

Blames Federal Government

"Unfortunately," he said, "at times it seems that the federal government is working hand in glove with the big life insurance companies to expedite and hasten the growth of the trend toward a life insurance monopoly. For example, the recent federal tax legislation was discriminatory in favor of the big companies in a number of respects, such as exempting pension trust funds from taxation. The smaller companies were put at a distinct disadvantage by this action of the federal government."

"The restrictive and monopolistic policies of the Department of Defense in limiting the writing of life insurance on military installations to the big companies is another example of how agencies of the federal government are helping big life insurance companies force monopoly on the American people."

States Can Solve Problem

"As long as our state insurance departments stand firmly in support of state sovereignty and the right of their domestic life insurance companies to do business in other states, the problem of restricted markets can be solved. Conceivably, retaliation or reciprocity might eventuate but this is already the case in many situations presently handled with comity between the states."

"I believe that if New York companies do business in Georgia, Georgia companies should be allowed to do business in New York. This statement likewise applies to companies of all of the states. . . ."

"It is my hope that the insurance department of any state which may undertake to exert extraterritorial control over the life insurance industry of other states and the very few who condone this practice will recognize that their misdirected efforts are injuring the cause of state regulation."

Offers To Confer

Mr. Arnall concluded his letter with an offer to confer in Washington at any time with Mr. McHugh and the staff of the anti-trust and monopoly subcommittee.

In his July 23 speech at the NALC convention, Mr. Arnall warned that "this extraterritorial technique of a single state, aided by a handful of allies, is going to wind up in the end of state regulation altogether."

"The life insurance companies in Colorado, in Louisiana, in Florida, in Georgia, in Nevada, in Tennessee and in Kentucky are second-class citizens of the United States," he said at that time. "That they may be stronger, that they may be better managed, that they may be more progressive, that they may be more efficient, that they may be better attuned to the times means

N. Y. Will Clarify Sections 1 And 3 Of Regulation 39

(CONTINUED FROM PAGE 1)

at the time the policy is issued, which is the core of the minimum deposit plan as it has been mainly sold. One point that will be clarified is whether the regulation applies to giving full reserves even slightly earlier on some policies than on others. For example, does the fact that a company gives the full reserve after the 10th policy year on the general run of its policies but after the seventh year on certain "special" policies violate regulation 39? The answer is that it does not.

However, giving the full reserve even as late as the second year on some policies and not on all will not be permitted. From the end of the second policy year onward the spelling out of what can and can't be done becomes more complicated, if a company wants to give the full reserve earlier on some policies than others. There is no problem where all policies are treated alike.

Not Intended To Outlaw Premiums

There is no intention to make regulation 39 outlaw graded premiums and graded unit costs which decrease as size of policy increases. But it is the department's contention that no high minimum amount policy, whether a "special" or a graded premium plan, warrants giving a policyholder the right to borrow the full reserve at the policy issue date while another policyholder buying an essentially similar policy has no such right.

What the department would do about a company giving the full reserve the first year on all its policies? Presumably nothing, since the New York Savings Bank Life Insurance system does this and though the department is quite aware of it there is no thought of interdicting it through regulation 39. It is the alleged discrimination among policyholders that the department is using to beat the high early cash value companies with.

Group Health Mutual Gets OK From Jensen

ST. PAUL—Commissioner Jensen of North Dakota, who recently cancelled the licenses of 60 agents of Group Health Mutual of St. Paul following complaints from policyholders in his state, has announced after a meeting with company officers that he is satisfied the company is financially responsible and is processing North Dakota claims as rapidly as possible. Mr. Jensen visited the home office of Group Health Mutual and said he is sure the company will make refunds where indicated. He said the company also is giving credit for premiums paid but not remitted in full by the former North Dakota agents.

Chesapeake Life has been licensed in Pennsylvania and District of Columbia.

nothing. They are barred from markets while their own markets are open to monopolistic competitors. . . .

"The highly competitive life insurance industry, especially the smaller, growing, progressive companies, must not be strangled unless, understanding fully the dangers, they decide, clear-eyed, that we want nationalization of the insurance industry."

Skog says...



H. P. SKOGLUND, President

Need a reason for a party?

Seems Americans have a great fondness for special days, weeks, and months. Listed in the lineup during 1959 are such events as Old Maids Day, Pass the Laugh Week, Return the Borrowed Book Week, National Blouse Week, and the topper—Mute Your Muffler Month.

Time was when all you had to worry about was April Fools' Day and the regular national holidays. Nowadays it appears that we've gone overboard on special days and weeks. But then Fire Prevention Week and National Safety Week come along, and you realize that anything we can do to call attention to bettering family living is worthwhile.

With that in mind, I'd like to suggest we have a national "Look at Your Insurance Week". It's been our experience that many families are coasting along on insurance protection set up five, or even ten years ago . . . insurance protection that may be completely inadequate to meet today's needs, or not designed to provide for changing conditions within the family.

If it's been some time since you've reviewed your plans, why not make this your personal "Look at Your Insurance Week", and get up to date on your insurance protection. Your North American Life and Casualty Company representative will be happy to map out your insurance program for you and advise you on your current needs.

HELP in paving the way for successful interviews is provided North American field men by newspaper ads like this appearing nationally in Nalac markets.

It's one way Nalac's CONFIDENT LIVING* approach is working to assure CONFIDENT SELLING for its men. Complete portfolio of Life and S&A. Ask for Brochure BO-321.

*Exclusive North American service mark

Over
\$3½ Billion of
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Home Office:
Minneapolis, Minnesota

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NORTH AMERICAN

Life and Casualty Company

H. P. Skoglund—President J. E. Scholefield, CLU—Vice President, Director of Agencies

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Loans are available for you on your renewal commissions—for additional working capital, for business expansion, for personal use. Prompt, efficient, confidential service, from the outstanding organization specializing in direct loans to life insurance underwriters.

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I am interested in your service. Please send further information, at no obligation to me.

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Tells What Claim Man Can Do About Misstatements In A&S Applications

Several suggestions designed to help claim men in dealing with fraudulent and innocent misrepresentations in A&S claim work were given by Thomas A. Harnett of the New York City law firm of Watters & Donovan at the annual meeting of the American Bar Assn. insurance negligence and compensation law section at Miami Beach.

Mr. Harnett's first suggestion was that to establish that there was a misstatement, which is tantamount to a misrepresentation, the question on the application for insurance should seek, wherever possible, factual objective information. The one question that comes up in litigation most frequently is, "Are you in good health?"

Mr. Harnett said the tendency of the

courts is to find that this is a purely subjective question calling for the insured's opinion or belief. If this question is to be retained it should be supplemented by a specific question such as these:

"Have you consulted a medical practitioner within the last — years? If so, whom and when?"

"What was the nature of the condition for which the medical practitioner was consulted?"

"State when you last consulted a medical practitioner, giving his name and address."

"Have you been hospitalized within the last 10 years?"

"Have you been subjected to diagnostic examination, i.e., x-ray, cardiogram, or the like, within the last — years?"

"Have you been absent from your employment by reason of any sickness or accident within the last — years?"

"These questions," said Mr. Harnett, "have greater probative value and may disclose to the underwriter a pre-existing disease or condition and afford an opportunity of evaluating the risk at the time of application."

As to establishing materiality, definite underwriting rules should be established and promulgated for each type of policy issued. In addition, the insurer should have a general underwriting appraisal of physical histories which defines the general physical conditions, disorders and diseases and their insurability or lack of insurability.

Can Use Records

Mr. Harnett said that in these days of statistical accounting, a tabulated record could be established showing acceptance of risks and projection of other risks and the basis of such action. In this way an insurer would be in a position to prove not only its intended practice but its actual practice. The claim man and the lawyer armed with such proof could then readily show the "evidences of such insurer's practices" and conclusively prove that the statement or misstatement was material to the risk.

Another common basis for litigation is the assertion that the application was not completed by the insured but in fact was completed by the insurer's agent. One possible solution to this problem, said Mr. Harnett, is to take advantage of the parol evidence rule by incorporating in the application specific language to the effect that the insured has read the application, the answers are his and that the agent has no authority to change or alter the answers. Such saving language seems to have met with judicial approval and appears to be a wise precaution.

Should 'Red-Flag' Symptoms

Although the tendency of the more recent cases is that a partial disclosure of some condition does not require the insurer to investigate, the mentioning of any physical condition or symptom that is indicative of disease or disorder should be "red-flagged" immediately. Then a determination should be made whether it is worth the cost of investigating the history and ascertaining all the facts or should the risk be declined.

"As we all know, initial impressions as to probability often prove true," Mr. Harnett observed. "This maxim seems to be proved beyond doubt in the history of insurance litigation. If the risk sounds bad, don't accept it. If it is to be accepted, run down all information possible to justify such an underwriting decision."

Waiver Is Baffling

The problem of waiver is one that is not quite surmountable in all organizations. If in the handling of the claim it is established that misrepresentation "appears" to have been ascertained, the claim man should be provided with a form to be dispatched immediately to the home office underwriting department, with a copy to the premium service department and all others who might have occasion to communicate with the in-

(CONTINUED ON PAGE 90)



WHO'S WHOSE BOSS? William S. Hendley, Jr., (center), newly elected NALU president and MONY-man, congratulated by Roger Hull (left), longtime NALU member and newly elected MONY president. Newly elected MONY executive vice president J. McCall Hughes looks on.

In any field, the most cherished tribute is recognition by one's fellows. Such tribute has been given to Bill Hendley in rare and rich measure, through his election to the presidency of NALU.

We at MONY take special pride in this because Bill has been one of us for many years, as was his father before him.

We know that Bill will bring to his NALU responsibilities the dedication and wisdom that have distinguished his progress in our profession.

MUTUAL OF NEW YORK

The Mutual Life Insurance Company Of New York, New York, N. Y.
Sales and service offices located throughout the United States and in Canada



For Life, Accident & Sickness, Group Insurance, Pension Plans, **MONY TODAY MEANS MONEY TOMORROW!**



When Buffalo Bill Cody scouted for insurance he called The Man from Equitable!

For the past hundred years, the top people in every field have called The Man from Equitable. And it has never been more true than it is today. For this year all America is learning the news about the new Hundredth Anniversary developments in Living Insurance from Equitable. New graded premium

rate structure. More benefits. Greater protection. They're hearing and *seeing* this news on DOUGLAS EDWARDS WITH THE NEWS over the entire CBS-TV network, 155 stations covering 95.2% of all TV homes. No wonder so many of the nation's top life underwriters enjoy being The Man from Equitable!



Living Insurance from **EQUITABLE**

The Equitable Life Assurance Society of the United States ©1959
Home Office: 393 Seventh Avenue, New York 1, N.Y.

Springfield-Monarch Has New Major Medical Plan In A&S Portfolio

Springfield-Monarch has added a new major medical plan to its portfolio that is guaranteed continuable for life and available between ages 18 and 65 to those who do not already have this type of coverage.

The top qualifying age under the new plan is extended from 60 to 65. The plan pays 75% of covered hospital and medical expenses over a selected

deductible up to a selected maximum that ranges as high as \$10,000. The deductible may be \$300, \$500 or, for those with no other coverage, \$50. If the premium is paid annually, the maximum is increased 10% and the percentage payable 80%.

Plan's Additional Features

The plan also includes such additional guarantees and benefits as guaranteed continuable for life at rates in effect on the renewal date for all similar policies, and to age 65, the rate is based on the original insuring

age, thereafter, on the age 65 rate.

Also, the plan is non-cancellable; there is no limit on the number of claims and no reduction in benefits at any age, and benefits cannot be reduced nor can premiums be increased because of change to a more hazardous occupation.

Holds Sales Training School

The first of three sales training schools has been held by Bankers Life of Iowa at the home office. The school was attended by 35 agents.



What makes an insurance man really successful?

Ability, to be sure—coupled with the ambition, initiative and energy to make the most of it. But however high a man's personal qualifications, he must have strong support from his home office to achieve his goals.

At Lutheran Brotherhood, "home office support" means three things basically:

1 Quality "products"—a complete offering of up-to-date plans at rates in the lowest 2% of all listed American insurance organizations.

2 Training that includes several weeks of work in the field with an experienced life underwriter *before* taking

an intensive home office course. (Helps make the "school-work" all the more meaningful and applicable.)

3 The very latest and most effective selling aids. (Example: a portable strip film/projector kit for in-the-home demonstration of advantages of Lutheran Brotherhood plans.)

This kind of "help from home" has resulted in better service to policyholders . . . *successful* businesses for Lutheran Brotherhood representatives . . . sound, steady growth for our company. And that's reason enough to keep the emphasis where it's been from the beginning: *working with* our men.



LUTHERAN BROTHERHOOD

701 Second Avenue South • Minneapolis 2, Minn.

Living benefits for Lutherans through life insurance

Transamerica Bids For American Surety, Parent Of American Life Of N.Y.

The directors of American Surety, parent company of American Life of New York, have voted to recommend for stockholder's acceptance the proposal of Transamerica, the management concern, to exchange two shares of the latter's stock for three shares of American Surety.

W. E. McKell, president and chairman of both American Surety and American Life, and F. N. Belgrave, Jr., president and chairman of Transamerica, stated that the offer applied not only to the 1.2 million shares of American Surety now outstanding, but also to the 48,000 shares which were issued Oct. 1 in payment of the 4% stock dividend recently declared in lieu of further cash payments for the rest of the year.

If the proposal is accepted by American Surety stockholders, 832,000 shares of Transamerica stock will be issued for the 1,248,000 shares of American Surety.

Occidental of California is also under Transamerica management.

Tax Planners Workshop To Begin Oct. 13 In Newark

The Newark Tax Planners Workshop will conduct its 12th session beginning Oct. 13 at the 744 Broadway Street Club. Harold Kamens, Newark tax attorney, is workshop moderator.

The courses which are designed for life agents, trust officers, attorneys and accountants, will consist of the following:

—Estate planners' workshop I, a six-week course dealing with the elements of estate planning, including such topics as life insurance, buy-sell agreements, estate and gift taxes and other related topics.

—Estate planners' workshop II, a nine-session monthly course covering new developments in the field of estate planning, including pension, profit-sharing and employee benefit plans.

—Tax ideas workshop, a nine-session monthly course in federal income tax and estate law, with emphasis on new tax-savings devices. The course will be run on a seminar basis.

Royal-Globe Wins Case Involving Use Of Name

Royal-Globe has won a consent decree in the northern district court of Georgia to prohibit the use of the name "Royal" by a life company.

The defendant, Royal Life of America, was founded in 1939 as Whitfield Ins. Co. of Georgia, a fraternal organization. It was chartered as a corporation in Georgia in 1948 and changed its name to Royal Life of America in 1955.

The restraining order prohibits the life company from using the name "Royal" in any connection with business except as necessary in matters outstanding as of the date of the injunction.

Seven charter builder certificates were presented to contributors to the NALU building fund at the September meeting of Hutchinson (Kansas) Assn. of Life Underwriters.

Crown Life of Toronto has been licensed in Montana.

NFC Elects Ransford As President

Inflation, Place Of Women In Business Head President's Section

If borrowing and wage increases continue unbridled, the country may suffer more serious inflation than any since the Civil War era, Rudolph F. Bannow, National Assn. of Manufacturers vice-president, warned the presidents' section.

Placing the major responsibility for inflation on wage increases beyond the level made possible by increases

sound, a more serious inflation is inevitable, he said.

Inflation is the challenge people and Congress must meet. The past Congress met the important issue of a labor bill because it "simply recognized that public opinion outweighs the political power the unions claim to have. It passed a bill that the people wanted," Mr. Bannow asserted.

Calling this labor bill "encouraging far beyond the measure of the legislation Congress produced," he said it proves that Congress is still responsive to the people. "It proves that all of us hold the responsibility for our own and the nation's future, and that we have the means to meet that responsibility."

Mr. Bannow, who is president of Bridgeport Machines (Conn.), ended his talk with this plea: "Today we have a free land. And we will have one tomorrow, and beyond, if we meet our responsibilities to keep our economy and our institutions in order. Around us are children and grandchildren who will inherit America from us—in the condition in which we leave it. We may leave it thriving, or we may leave it spoiled. In any case, we may be sure that unless we preserve its thriving economy, all else that is worthwhile in America will fade away."

Edna E. Dugan, Degree of Honor
(CONTINUED ON PAGE 18)

NFC's NEW PRESIDENT

R. George Ransford, NFC's new president, is also president of Gleaners Life. He has served as that society's president and general counsel for the past 13 years. A native of Caro, Mich., Mr. Ransford received his LLD degree from Detroit College of Law in 1937 after completing pre-law at the University of Michigan. Prior to serving as vice-president, he had been a member of the NFC executive committee for two years.

Passing The Gavel



Newly elected NFC President R. George Ransford (left), Gleaners Life, receives the gavel from retiring president W. Cable Jackson, Modern Woodmen. Walter L. Rugland, Aid Assn. for Lutherans, the new vice-president, looks on.

No Apology Needed. Prudential Man Tells Field Managers Group

Men in the fraternal field need not apologize to commercial companies, Umberto A. Palo, special agent for Prudential at New Brunswick, told the field managers section.

Fraternalists are doing work that is "more important than that of the giant companies," he said. "You are doing a job that is basic."

Knowledge is important, hard work is essential, but if a life man does not have belief in the product he is selling, he has nothing, Mr. Palo stated.

Admonishing the group never to sell life insurance for what it is, but to sell it for what it does, the speaker advised salesmen to stop feeding prospects a lot of figures and details. "I sell tomorrow, not today," he emphatically told his audience.

As the field managers hold their election in the spring, George V. Krampien, Aid Assn. for Lutherans, remains president, and Robert H. Platt, Modern Woodmen, secretary.

Succeeds Jackson At Philadelphia; Rugland Advances

Socialism Correct Name For OASI, Lester Schriver Says; 500 Fraternalists Present

PHILADELPHIA—Sunny skies and warm weather were the order of the day as National Fraternal Congress held its 73rd annual in this birthplace of American independence last week. A tight, four-day schedule comprised of two plenary sessions, 10 section meetings, scores of committee sessions, a

NEW NFC OFFICERS

President—R. George Ransford, Gleaners Life.

Vice-president—Walter L. Rugland, Aid Assn. for Lutherans.

Secretary-treasurer (continuing)—Foster F. Farrell, NFC headquarters.

Executive committee—New members: Edna Dugan, Degree of Honor Protective Assn.; Martin E. Cusick, Protected Home Circle; Joseph Sudimack, Greek Catholic Union, and W. Cable Jackson, Modern Woodmen of America. Holdover members: Katherine Stanton, Ladies Catholic Benevolent Assn.; George Constantin, La Societe des Artisans; Arthur Barrett Jr., Woodmen of the World, Denver; and Lendon A. Knight, Royal Neighbors.

breakfast and two luncheons kept the delegates busy, with only Tuesday night's banquet providing a rare chance to relax. Some 500 fraternalists were present.

The office of president went to R. George Ransford, Gleaners Life. He succeeds W. Cable Jackson, Modern Woodmen, who becomes a member of the executive committee. Vice-president and hence president-elect is Walter L. Rugland, Aid Assn. for Lutherans. Foster F. Farrell was reelected secretary-treasurer.

Schriver Hits Social Security

Social security was termed "potentially the most dangerous political football with which we have to deal," by Lester O. Schriver, managing director of NALU, in a hard-hitting address at Monday's plenary session.

"Unless we hold in check the expansion of social security and confine it to its present limits we will wreck the whole system and place the economy of the nation in jeopardy," Mr. Schriver warned. Further increases in benefits constitute a radical departure from the American way of life, he said.

The "rhythm of increases" in social security benefits in every election since 1948 reflects the degree to which sane economics have been abandoned. Common sense and discretion have been "thrown to the wind," Mr. Schriver asserted. For the first time in history, the voter can vote himself a raise without the slightest idea where the money is coming from. This "something-for-nothing" philosophy has ruined other nations, and it can do

(CONTINUED ON PAGE 18)



Officers and executive committee members for the coming year. Seated are Edna Dugan, Degree of Honor; Walter L. Rugland, Aid Assn. for Lutherans, vice-president; R. George Ransford, Gleaners Life, president; W. Cable Jackson, Modern Woodmen, immediate past president, and Katherine Stanton, Ladies Catholic Benevolent Assn. Standing are Foster F. Farrell, secretary-treasurer; Joseph Sudimack, Greek Catholic Union; George Constantin, La Societe des Artisans; Martin E. Cusick, Protected Home Circle; Arthur Barrett Jr., Woodmen of the World, Denver, and Lendon A. Knight, Royal Neighbors.

Insurance Story Difficult To Sell, Peterman Tells Press Section Breakfast

Although insurance is the strongest anchor the country has, its story is a difficult one to sell because of its quiet and conservative nature.

This was the opinion of Ivan Peterman, insurance information director of Pennsylvania Commonwealth, as he addressed the traditional breakfast meeting of the press and public relations section, one of the oldest sections of NFC.

Insurance statistics are impressive, but have they ever been headlined, Mr. Peterman asked. The country leads the Soviet Union in this field, but where are the facts and figures?

"We need to carry the ball, tell the

important things—such as the story of insurance—not just how many luxuries we have," he said. "Without offending, we need to sell our idea of living."

It is not necessary to boast, Mr. Peterman suggested. A simple statement of the facts is sufficient. Insurance statistics represent a vital segment in the financial well-being of the country. The huge sum of savings accumulated by this country's people acts as an available investment pool which helps keep the wheels of economy running and the avenues of expansion clear, he said.

Harriet S. Jeanes, Royal Neighbors, presided at the breakfast. W. Cable

Jackson, outgoing NFC president, extended greetings, as he did at all sessions.

H. C. Mitchel, customer service supervisor for Kable Printing Co., told

NEW OFFICERS

President—Leland L. Larson, Woodmen of the World, Omaha.

Vice-president—Francis M. Olson, Equitable Reserve Assn.

Secretary-treasurer—Bessie Kubanis, Royal League (ninth term).

Executive committee—Jerry F. Chmelicek, Czechoslovak Society; May Beaver, Supreme Forest Woodmen Circle; Ted H. Hartman, Aid Assn. for Lutherans, and Harriet S. Jeanes, Royal Neighbors.

the assemblage that solid planning from beginning to end is necessary in printing fraternal publications or "the structure will collapse."

The publisher and printer must have a clear, concise picture of the end product desired before the printer can proceed intelligently, he said. Each magazine is a custom-tailored job that must be adapted to the assembly line of mass production.

Bessie Kubanis, Royal League, and secretary of the section, called the roll. Gretchen M. Pracht, Lutheran Brotherhood, and section past president, presented plaques to Miss Jeanes, another past president, and to Miss Kubanis, in recognition of their services. Offices were installed by Louise Patrick, Supreme Forest Woodmen Circle. Music during the breakfast was provided by Ann Wells, Supreme Forest Woodmen Circle.

Crowded Agenda For Actuaries' Session

Rated premiums, special rates for women, compensation plans, premium waiver benefits, lower double indemnity rates, family rider plans, and individual certificates were the topics

NEW OFFICERS

President—John Gall, Aid Assn. for Lutherans.

Vice-president—Robert E. Bruce, Harnley N. Bruce & Associates.

Secretary—Henry F. Scheig, Aid Assn. for Lutherans.

Treasurer—Mary Cusic, Royal Neighbors.

Editor—Harmon R. Taylor, Cedar Rapids.

Librarian—Frank Lee, Women's Benefit Assn.

Executive committee—Rueben Jacobson, Lutheran Brotherhood; Frank Gadiant, Modern Woodmen; Daniel D. Macken, Woodmen of the World, Omaha; Sam Eckler, Independent Order of Foresters, and Robert H. Taylor, Cedar Rapids.

on a crowded agenda for the actuaries' section. Robert H. Taylor, Cedar Rapids, presided over three discussion groups.

"Present Plans for Use of the 1958 CSO Mortality Table," was the theme of the opening round table. Taking part were Mary M. Cusic, Royal Neighbors; Harmon R. Taylor, Taylor & Taylor; Henry F. Scheig, Aid Assn. for Lutherans, and Daniel D. Mackin, Woodmen of the World, Omaha.

All of the participants indicated interest in rated premiums, special rates for women, lower premium rates for double indemnity and premium waiver benefits.

"Agent Compensation Plans," involved Robert E. Bruce, Harnley N. Bruce & Associates, and Dudley A. Edblom, Early American Life Insurance Assn.

Their discussion dealt largely with

compensation plans of a number of fraternal societies.

"Experience Under Family Plan and Term Riders," occupied the final session. Ingolf Lee, Lutheran Brotherhood, presented the views of Reuben I. Jacobson, vice-president and chief actuary of the Brotherhood. The other panelist was Frank J. Gadiant, Modern Woodmen.

Mr. Lee presented a family rider plan which has been put into effect by the Lutheran group, and Mr. Gadiant talked about his group's family plan certificate.

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Oldest Catholic Life Insurance Organization in the U.S.

WOODMEN OF THE WORLD and FRATERNALISM GROW STRONGER

The growing strength of fraternalism was very much in evidence at the National Fraternal Congress Convention Sept. 20-23. Woodmen of the World Life Insurance Society is proud to be an active member of the N.F.C.

And our Society continues to be a leader in fraternalism. This past summer it instituted a new program of assistance—up to \$1,000—to members of one year or longer who develop lung cancer. Assistance to members, victims of flood, tornados or other disasters, was also increased to a year of payments on their insurance certificates—up to \$100. As heretofore, unlimited free treatment is provided for members of one year or longer who are afflicted with pulmonary tuberculosis.



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1600 N. Woodward Avenue Birmingham, Michigan

MARK McCLOSKEY:

Moon Shots Are Fine,
But Human Relations
Must Not Be Ignored

Technological advances which have made hitting the moon possible are fine, but the area of human relations

NEW OFFICERS

President—May Beaver, Supreme Forest Woodmen Circle.
1st Vice-president—Louis E. Caron, Catholic Order of Foresters.
2nd Vice-president—Romona L. Klee, Royal League.
Secretary-treasurer—Harriet S. Jeanes, Royal Neighbors.
Executive committee—E. E. Howell, Woodmen of the World.

must not be ignored, Mark McCloskey, New York State Youth Commission chairman, told the youth counselors' section.

In a talk devoted to the currently pressing problem of juvenile delinquency, Mr. McCloskey advised those present that it is difficult to make any progress if poor caliber adults are assigned to work with the delinquents.

Granting that personnel and facilities are better today than ever before, Mr. McCloskey said the public must demand even more qualified people. "One and a half million kids will get into the hands of the police this year," he said. "Will we deal with them stupidly?"

Compassion, confidence, firmness and motivation are the ways in which youth must be reached. "We are a nation of professional neighbors but we are not good neighbors," Mr. McCloskey asserted. "We're over-organized in some ways and show a lack in others. We give our money to a thousand organizations to be our alchemists but there is no substitute for the personal relationship."

During the panel discussion which followed Mr. McCloskey's talk, Vivian Watkins, Modern Woodmen, moderated the subject "Youth Activities—Present, Past and Future."

Two Philadelphia Lawyers
Address Law Section

Two Philadelphia lawyers appeared before the law section and passed on the following: A fool-proof binding receipt for life insurance applications is yet to be conceived. Blue Cross comes closest to solving the hospital costs element in the community health problem.

J. H. Carter of Pepper, Bodine, Frick, Scheetz & Hamilton, discussing binding receipts, said it is next to impossible to make a general statement about the validity of such a document. Each case depends upon the wording of the receipt.

"Where the receipt recites that the applicant shall be covered if and

when the company shall issue the policy or if and when the policy is delivered, the courts have little difficulty, under the law of offer and acceptance, in finding for the company," Mr. Carter stated.

"Trouble arises where the receipt states that the insurance shall be in effect from the date of the premium payment, or the date of the application, or the date of the medical examination, provided, as in some cases, the application be approved at the home office, or in others the home office shall be satisfied that at the time of

NEW OFFICERS

President—Edmund J. Meagher, Royal Neighbors.

Vice-president—Cornelius F. Connolly, Supreme Forest Woodmen Circle.

Secretary-treasurer—George H. McDonald, Modern Woodmen.

Executive committee—Messrs. Meagher, Connolly, and McDonald, and Miles J. Seyk, Royal League.

payment, application or examination the applicant was an insurable risk,"

he told his audience.

In his discussion of Blue Cross, James S. Feight, counsel of Philadelphia's Blue Cross, defined the community health problem as "how to finance modern health care for all who need it—not only those who are considered good risks—including the aged, the indigent and the repetitively ill." This problem is best met by Blue Cross, he said. The balance of his talk centered around the activities of this service.

Miles J. Seyk, Royal League, presided at this session.

Aid Association for Lutherans serves Synodical Conference Lutherans. Ownership of AAL, America's leading fraternal life insurance society, belongs to its 535,000 members whose trust has made our remarkable growth possible. Serving these people and their church institutions is very satisfying to our 503 District Representatives and the 52 General Agents of AAL.



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More Than a
Million Members
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ESTABLISHED 1882

Membership, July 1, 1959	1,115,417
Insurance Members	403,592
Associate Members	711,825
Subordinate Councils	4,366
Columbian Squire Circles	575
Assets	\$148,401,166
Insurance in Force	\$901,417,209
Benefits Paid	\$137,381,479
Increase in Insurance in Force from July 1, 1958 to June 30, 1959	\$108,124,298
Joseph F. Lamb Supreme Secretary	71 Meadow Street New Haven 7, Conn.
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VA Field Loaded With Pitfalls, Investors Told

The industry has spent too many years and too many dollars convincing policyholders that life insurance dollars are dependable dollars to risk losing that reputation by venturing into a field as loaded with pitfalls as the variable annuity, DeLong H. Monahan, Provident Mutual Life financial vice-president, told those attending the investment session.

Business risks are reflected most sensitively in the stock market, Mr. Monahan said. "It is because I feel that we life men have so much to learn about business risks that I am

NEW OFFICERS

President—Charles T. Kropik, Czechoslovak Society.

Vice-president—Hugh Young, Catholic Order of Foresters.

Secretary—Harold E. Brovich, Aid Assn. for Lutherans.

Treasurer—Lloyd L. Hendrickson, Woodmen of the World.

Executive committee—A. G. Tiedje, Modern Woodmen; Adelle Lozodzinski, Polish Women's Alliance, and John R. Arris, Brotherhood of Locomotive Firemen and Engineers.

appalled at the audacity of some of our compatriots in suggesting that the industry welcome variable annuities with open arms."

Only A New Gadget

The only people in the industry who favor variable annuities are agency people looking for a "new gadget" to sell, he asserted. Among the deluded are actuaries who may know their statistics of the past and something of life expectancies, but who know next to nothing of business and economic conditions and the stock market, Mr. Monahan said. "Nowhere have I heard a variable annuity torchbearer who is an investment man who knows his business and stock market risks."

The life profession is one of widening horizons. As competition stiffens, the profession assumes greater risks. These risks must be understood. There is no statistical panacea which is going to "relieve us of our duty or our responsibilities," Mr. Monahan stressed. "If we are not going to develop and apply professional standards, our companies are going to suffer."

Reports at this session included those of Hugh Young, Catholic Order of Foresters, who discussed the 1959 seminar, and Harold E. Brovich, Aid Assn. for Lutherans, who presented his treasurer's statement.

Keeping Up With Science

The insurance field is keeping pace with the achievements of medical

NEW OFFICERS

President—Dr. Margaret Hill, Women's Benefit Assn.

1st Vice-president—Dr. C. S. Costigan, Modern Woodmen.

2nd Vice-president—Dr. E. E. Taylor, Woodmen of the World, Denver.

Secretary-treasurer—Dr. Jane McMullen, Royal Neighbors.

science by extending coverage as life is prolonged and disease is conquered, two medical directors told the medical section.

Membership In State Congress Essential, Crowns Tells Group

Membership in the state fraternal congresses is the foundation of the fraternal system, George H. Crowns,

NEW OFFICERS

President—Nellie A. Sexton, Royal Neighbors.

1st Vice-president—P. J. Vadravsky, Czechoslovak Society.

2nd Vice-president—W. J. McGowan, Knights of Columbus.

Secretary-treasurer—G. Myron Savage, New England Order of Protection.

Executive committee—Michael P. Ettel, Catholic Aid Assn; Fred W. Emig, Royal League; Fred J. Thein, Central Verband der Siebenburger Sachsen of the U. S.; J. J. Cannon, Woodmen of the World, Denver; Fern Bauersfeld, Woodmen Circle, and Stephen J. Trach, Pennsylvania Slovak Catholic Union.

Catholic Order of Foresters, told an afternoon session of the congress.

By setting aside a week each year as fraternal week, he said, members are educating the public as to what fraternal societies amount to, what they are doing, and their value to the communities in which they are active.

Fraternal Weeks Noted

A fraternal week is already recognized by mayors of various cities and governors of states, he noted. The state congress, by holding its annual meeting creates "more interest in patriotism and in participation in local and city community projects," he suggested. "Individuality in Fraternalism" was the topic of newly elected President R. George Ransford at the same session.

Too few citizens today evidence enough concern about "our precious liberties and privileges." A heritage handed down by the nation's forefathers, who felt it worthwhile to sacrifice life and property that free men might worship, speak and assemble as they wish, is too little regarded, he said.

Heritage Being Eroded

Well-organized groups with selfish interests, aided by those who do not value their legacy, are eroding this heritage as "surely as the elements erode the earth," he stated. "What we expect from government, we pay for in less freedom. The more participation is diminished, the more dependent the citizen becomes."

John O. Riggs, United Order of the Golden Cross, installed the officers at this session.

Dr. Paul H. Langner, Provident Mutual Life, and Dr. Joyce T. Sheridan, Fidelity Mutual Life, discussed current medical underwriting in cardiovascular impairment and diabetes, respectively. Both ailments were cited as examples of diseases which for many years were considered reason enough to declare a person uninsurable. Strides made by the medical profession in arresting these diseases and enabling patients to live a normal life-span have changed this situation, the doctors concurred.

An open discussion followed the two reports. Chairman of the meeting was Dr. Harvey J. Brekke, Lutheran Brotherhood.

Secretaries' Group Features Panel On Local Units' Place

The first day's secretaries' section held a panel discussion. The theme

NEW OFFICERS

President—Clyde Wilmeth, Junior Order United American Mechanics.
Vice-president—Stephen L. Segedy, American Life Insurance Assn.
Secretary-treasurer—Albert J. Stelkovich, William Penn Fraternal Assn.
Executive committee—Ann Kampman, Catholic Knights of America; Hugh Young, Catholic Order of Foresters; and Louise Patrick, Supreme Forest Woodmen C'r-le.

was "Does the removal of service functions from the office of local secretaries, such as collection of premiums, adversely affect activity of the local units and the fraternal status of our societies?"

Members of the panel included Dan H. Miller, Woodmen of the World; Stephen L. Segedy, American Life Insurance Assn.; R. Gordon Pore, Equitable Reserve Assn., and Gerald C. Herzfeldt, Aid Assn. for Lutherans.

Manhattan Life's Summer Sales Campaign Paid-For Business Toos \$66 Million

Manhattan Life's field force, in the annual Fordyce summer sales campaign honoring J. P. Fordyce, chairman, set a new record with paid-for business during June, July and August of \$66,567,080, a 7% increase over the 1958 campaign.

The Grosten agency, Los Angeles, won four campaign awards and led nationally, while the Longmire agency, Pasadena, won three. Agencies winning two awards were Corini, New Rochelle, N.Y.; Kelley-Baum, Detroit; Fuerst, Pittsburgh; Robbins, New York; Harmelin, Newark, and Daniels, San Antonio.

Leading personal producer nationally in ordinary paid volume was Albert C. Hamlin of the Longmire agency, and Royal L. Brown of the Kelley-Baum agency won the award for new paid ordinary lives. Robert L. Koonitz of the Fuerst agency was first in pension trust volume and Joseph R. Fallon of the Lau agency, Dallas, was national leader in group life volume.

American United Reduces Premiums With New CSO

American United Life has reduced gross premiums through use of the new 1958 CSO table, but cash values and the company's reserve liabilities continue to be the higher values based on the 1941 CSO table.

In its new rate book, American United adopts a quantity discount system of premium rates, using an \$8 policy factor. It uses separate, lower premium rates for females. Cash and other policy values remain the same for men and women, as do the dividend scale and the waiver of premium and double indemnity rates.

Changes in the pattern of dividend scales produce lower average net payments for persisting business.

Some of the many additional changes are:

Reduction of extra premiums for substandard table ratings; addition of term to age 70 policy, with cash values; additional feature included in waiver of premium rider provides waiver to age 65 for disability occur-

ring between ages 60 and 65; increase in single premium maximums to \$100,000 for insurance and deferred annuities and \$150,000 for immediate annuities; addition of 10 year supplemental term convertible in 8 years (besides the 15 and 20 year riders previously offered); full benefit immediately on policies issued at age 0, and reduction of minimum short term charge to that for 10 days (formerly one month).

Northern States Life Receives Wis. License

The Wisconsin department has licensed Northern States Life of Milwaukee, a new life and A&S insurer headed by A. Jack Nussbaum. The company initially was to have been called National Security Life, but changed its name when it was learned that a company was being organized in Indiana with that title.

Mr. Nussbaum for 30 years was an agent at Milwaukee of Massachusetts Mutual. He has retired from that company to take over the Northern States job.

Herbert L. Mount, Milwaukee attorney, is vice-president and general counsel; William R. Burns, who has been in charge of operations of Farm Bureau Life of Michigan, is vice-president, and Edward H. Meldman, Milwaukee attorney, is secretary-treasurer.

Authorized capital of Northern States Life is \$500,000, which is made up of 500,000 shares of \$1 par stock, of which 350,000 shares have been sold at \$2. The balance of the stock is being held to be used for stock options and incentive bonuses.

Fidelity Mutual Life Conducts 16th Home Office Seminar For Recruits

Nineteen new agents of Fidelity Mutual Life have completed a week-long study course on sales, prospecting, single lead selling and programing at the company's 16th home office seminar for recruits.

Discussions were led by agency staff men and home office officers. Other topics for study included direct mail, quality business, optional modes of settlement and handling claims. A tour of the home office was conducted to give the new men an understanding of the operations of each department.

200 Retired John Hancock Home Office Workers Are Feted At Homecoming Day

Some 200 retired employees of the John Hancock home office were honored with "homecoming day" and a luncheon given by Byron K. Elliott, president, and attended by several of the company's senior officers.

Retirees are invited back to the home office each fall for an annual reunion. Among this year's group were 11 octogenarians, including Frank T. Haddock of Boston, 88, and Minnie J. Connell of Larchmont, N.Y., 87.

The group present at this reunion represented one-half of the 400 home office retirees. Four retired workers, each with 50 years of service to his credit, received special honors. They were Charles M. Corey, Wollaston, Mass.; Charles J. Diman, Westwood; William A. Odell, Arlington, and Walter B. Randall, Braintree.

Pilgrim National Life Seeks SEC Registration

Pilgrim National Life of America, Chicago, filed a statement with Securities & Exchange Commission seeking registration of 100,000 common shares.

SEC said: "The company proposes to offer the stock for sale at \$5 per share to its stockholders of record Aug. 31, and to the public, stockholder subscriptions to be given a certain priority over subscriptions from the public. No underwriting is involved."

"Pilgrim Life Insurance Company of America was organized under Illinois law in March, 1959, as an Illinois stock company. On June 30, 1959, Pilgrim National, an Illinois assessment legal reserve company, was merged into Pilgrim Life, the surviving corporation, whose name was changed to its present form, Pilgrim National Life Insurance Company of America. The company was organized with an original issue of 200,000 common shares which were issued and sold for \$1.50 per share. It did not conduct any insurance business or operations until the merger, at which time it acquired the entire business, assets and liabilities of the merged assessment company."

"The present offering to stockhold-

ers will be limited to 27½% of stockholders' holdings of record Aug. 31, or an aggregate of 55,000 shares maximum. Thus, a minimum of 45,000 shares will be available for public sale. Net proceeds of sale of additional stock will be added to the company's general funds. This will enable the company to apply, when and if such action is deemed advisable, for licenses to do business in other states," SEC said.

Life Of N.A. August Sales Set Single-Month Record

August sales of Life of North America established a company record for a single month and amounted to \$10 million in ordinary volume, \$19 million in group volume and \$40,000 in A&S premiums. There was a 500% increase in A&S, 400% in group and 180% in ordinary.

The sales campaign was a tribute to Leland T. Waggoner, life sales vice-president, who has been touring company offices and U.S. military bases in Europe during August, in connection with the recent U.S. Defense Department authorization allowing the life company to sell on U.S. military installations.

Production leaders in the campaign period were, by quota, D. L. Tenney, San Francisco service office; E. A. Ellis, San Francisco agency, and R. B. Bolt, northern California service office.

Volume leaders, all of whom exceeded \$500,000, were Chicago service office, R. H. Breuer, manager; Newark service office, J. S. Flanagan, manager, and Philadelphia metropolitan office, H. L. Wilson, manager.

Helena Agents Elect

Robert F. Branton, Western Life, has been elected president of Helena (Mont.) Assn. of Life Underwriters. William Watt, Western Life, is the new secretary-treasurer.

To Address Indiana Underwriters

Dr. Jack W. Hickman, chief resident internist of Indianapolis General Hospital, will address the Oct. 14 meeting of Indiana Home Office Underwriters Assn. at Indianapolis. He will speak on "Clinical Evaluation of Impairments of the Gastro-Intestinal Tract."



For **MODERN WOODMEN** Life Insurance
It's **MODERN WOODMEN**

Each year more Americans plan their future financial security through investing in Modern Woodmen life insurance. They know that Modern Woodmen means modern life insurance.

MODERN WOODMEN
OF AMERICA

Home Office — Rock Island, Illinois

Ransford Succeeds Jackson At NFC Philadelphia Meeting; Rugland Advances

(CONTINUED FROM PAGE 13)

the same for America. The present system has promised, to those who are paying taxes, more than \$300 billion in excess of what has been collected, he said.

"Whenever civilizations have died, we find certain symptoms common to their demise. There has always been a close relationship between the debasement of money and national morality. A debased currency is a dishonest currency. It is a falsehood. It is immoral, deceptive and destructive," Mr. Schriver declared.

Social security benefits can no longer properly be called social security—it is really socialism, NALU's managing director said. When Khrushchev predicted that future generations of Americans would live under socialism, the country was revolted. And yet the constant increase in social security benefits can push the country down the road to a realization of this prediction, Mr. Schriver declared.

Beyond the point of being aid to the indigent, social security becomes collectivism; beyond the basic floor of protection theory, it eventually impairs, if not destroys, individual initiative, he said.

In his annual report, Mr. Farrell, the group's secretary-treasurer, reminded his listeners that at its inception in 1886, NFC had 535,000 members. At the end of last year there were 9,200,000. In 1886 it had \$1.2 billion insurance in force; at the end of 1958 it had \$125 billion.

Retiring President Jackson noted in his report that the choice of Philadelphia was significant. It is, first of all, the city in which NFC held its first annual a year after formation. It is a city rich in tradition and history, whose early founders recognized and subscribed to many of the teachings and concepts of fraternalists, he said.

Furthermore, one of the earliest fraternal benefit societies was organ-

ized in Pennsylvania, so not only the city itself but also the state should be of unusual interest to fraternalists everywhere, Mr. Jackson stated.

Continuity of membership and the benefit therefrom was amply demonstrated this past year with regards to the remarkably active and successful efforts of the law committee. "I can recall no year since I have been actively identified with the National Fraternal Congress that has shown such gratifying legislative progress," he said.

Adopting Official Emblem

The executive committee has been considering the adoption of an official emblem for NFC, Mr. Jackson noted. The project has not yet been completed. He recommended that the incoming president and executive committee be authorized to continue the study. He also spoke of a "crying need" for a continued and never-ending concern over NFC's "public relations problems." Serious consideration has been given to this matter from time to time, he noted, but no concrete plans have been suggested or adopted to solve them.

Other committee reports at the first plenary session were made by James V. Krakora, auditing; Luke E. Hart, law; Frank H. Lee, constitution; Henry R. Freitag, public relations; Clyde F. Wilmet, general welfare and lodge activities; Mary M. Cusic, revision of blanks; Michael F. Ettel, resolutions; Alvin G. Tiedje, security valuations, and Ralph C. Dare, credentials (preliminary).

At the first session of the convention, Rev. Leon T. Moore, secretary of General Conference of the Methodist Church and Most Excellent Chaplain of Artisans Order of Mutual Protection, asked the invocation. Pennsyl-

vania Commissioner Smith then welcomed delegates to his state.

Committee reports at the second plenary session were made by A. T. Franklin, reports, and Howard M. Lundgren, nominating.

Montreal In 1960

London A. Knight, Royal Neighbors installed the new officers. Entertainment included the Hagerman string band, which parades annually in Philadelphia's world-famous Mummers Parade. Montreal was chosen as the site of the 1960 convention.

GREETINGS TO THE MEMBERS AND CONSTITUENTS OF THE 1959 CONVENTION OF THE NATIONAL FRATERNAL CONGRESS

Peter Suto, President
Stephen L. Segedy, Exec. Vice-Pres.

SOLD AMERICAN!

Our American Family Plan

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Our American Savings and Investment Plan

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Our American Return of Premium Rider (Available on All Permanent Forms of Insurance)

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Since 1895

Royal Neighbors of America

has provided a dual service

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insurance. The Society now

insures women, men and children

and provides a wide variety of

fraternal activities.

Insurance in Force \$443,704,934

Total Assets \$170,309,026

Membership 553,708

ROYAL NEIGHBORS OF AMERICA

Supreme Office Rock Island, Illinois

Discuss Inflation, Women In Business

(CONTINUED FROM PAGE 13)

Protective Assn., presided at this session. Edward L. Marek, Slavonic Benevolent Order of Texas, gave the invocation, and Louis E. Probst, Independent Order of Foresters, conducted the installation of officers.

The woman's viewpoint was also heard from at this session.

Mrs. Dugan informed the Monday session that women will find the insurance field open for their recognition if they will only apply themselves. She said that no woman who plans to excel in a field in which good men predominate should stress the "women's angle."

Abundance Of Women

"However," she said, "I am gratified to see the high proportion of women at this convention. Every year there seem to be more women at the meetings and every year the women seem to make better reports."

Asked if the field of insurance is a difficult one for a woman, Mrs. Dugan emphatically replied: "A woman always has to work harder than a man to accomplish her objectives. But there are great opportunities in the insurance field."

The personal qualifications which Mrs. Dugan deems necessary for a woman's success are good character, knowledge of the field, secretarial skill, and the quality of leadership. She closed her talk by remarking that "leadership in a woman—gracious leadership, that is—is a necessity if she is to develop other leaders among women."

October 3, 1955

Equitable Of Iowa Promotes Eight As V-P Irwin Retires

P. C. Irwin, vice-president, actuary and a trustee of Equitable Life of Iowa, has retired after 40 years with the company. His successor is W. D. MacKinnon, who has been underwriting vice-president.



P. C. Irwin

Other promotions are A. O. Groth, actuarial vice-president, Kermit Lang, actuary, T. A. Moilien, actuary, F. T. Beasley, associate actuary, K. R. Austin, superintendent of policy issue, J. F. Duston, director of underwriting, and R. E. Whelan, director of applications. Mr. Irwin has been vice-president



W. D. MacKinnon



T. A. Moilien



K. R. Austin



F. T. Beasley



Kermit Lang



A. O. Groth

came underwriting vice-president in 1955. Mr. Groth, with Equitable since 1927, was appointed actuary in 1955. Mr. Lang, who joined the company in 1935, and Mr. Moilien, an actuary with Iowa Old Age Assistance Commission until going with Equitable in 1939, have been associate actuaries since 1955.

With the company since 1942, Mr. Beasley became assistant actuary in 1950. Mr. Austin went with Equitable in 1947 and was advanced to staff assistant to Mr. MacKinnon in 1955. Mr. Duston started in 1927 and became underwriting secretary in 1948. Mr. Whelan has been assistant secretary since 1945, having joined the company in 1924.

Announce Card For Management Meet At French Lick

Eight speakers on the theme, "Management for the Retention of Manpower and Business," will make up the agenda of the annual Mid-West Management Conference Oct. 29-31 at French Lick, sponsored by Indianapolis General Agents & Managers Assn.

Speakers will be Kenneth P. Dowd, educational director Phoenix Mutual;

J. Smith Ferebee, Richmond manager of Equitable Society; Earl C. Jordan, general agent at Chicago of Massachusetts Mutual; Walter Gastil, general agent of Connecticut General at Los Angeles; A. T. Everett, vice-president Prudential; E. Clare Weber, general agent at Cleveland of New England Life, and Kenneth Black, professor of insurance at Georgia State College.

The Thursday dinner spot, traditionally reserved for an institutional-level address, will be occupied by Frank B. Maher, vice-president John

Hancock. The agency leaders will be welcomed by Commissioner Alden C. Palmer of Indiana at the luncheon on Friday.

Manhattan Life's Total Business Is \$179,513,184 In Eight Months

Manhattan Life's sales of ordinary and group life during the first eight months reached record levels. Total paid for business was \$179,513,184, an increase of 22%; ordinary paid-for business was \$113,319,392, a gain of 21%, and group life was \$65,602,292, up 24%.

OHIO is next!

Soon we will be making agency appointments in Ohio...

***American Health Insurance**, like its present agencies, is growing on a planned progression program. In 13 other states it has built outstanding agencies—Ohio is next—and as elsewhere, we expect to do a good job and a big one.

Do you belong in our picture? Your most valuable asset—to yourself and to us—is your local reputation. We know, from our background of 20 years of sound, specialized experience, that people like best to do business with a home town business man. To be an American Health Agent you must fill *that* bill—with enthusiasm, integrity and diligence.

The company and agent who specialize in personal and family insurance serve the public best. By specializing, the company can give its policy owners better value, better coverage, better service. As a specialist, the agent can develop his professional skill, with sufficient time devoted to administering service. American Health seeks substantial volume at a limited, carefully selected number of points—where local service can be provided thru local agents who serve the company faithfully and the public honorably. Only under these conditions is the cost of good local service justified.

If you desire a professional career in business for yourself, this is a unique opportunity. With thorough training, with full company support, and with personal application you can give the amount and quality of service to find a successful and profitable career. Your career will be based on satisfied policy holders.

***American Health sets a pattern**—in designing its coverages, in establishing its rates, in its underwriting methods—that permits the local

Managing Agent (who is the company in his territory) to pay claims on the spot promptly and without red tape. Any informed agent is fully aware of the importance of prompt claim payments to the growth of his business.

If you are the kind of agent we are seeking, you'll be delighted to find that American Health is your kind of company. You'll want to learn more about the very special opportunity we have to offer now . . . in Ohio.

"Where there's a will there's a way." Write for our booklets, "The American Health Story" and "Automatic Progression Program." A sound, secure, profitable career is available to the man who has the will . . . for here is a way. Write direct to Agency Department, AMERICAN HEALTH INSURANCE CORPORATION, 300 St. Paul Place, Baltimore 2, Md.

Our representative will be in Ohio in the weeks ahead. Inquire promptly so that you may be included in his plans.

**A specialist insurer with a reputation for integrity.*



It makes sense to expect special results from a specialist in the field

Editorial Comment

Price Gradation Under Attack

When New York issued its famous regulation 39, banning discriminatory issuance of high early cash value policies, some of those who oppose the price gradation principle in any form hailed the new regulation as outlawing the entire price gradation idea on the ground that it, too, is a form of unfair discrimination. These critics believe that price gradation—whether in the form of "special" policies for larger than usual minimum amounts, dividend gradations by size of policy, "price band" differentials, or a lowered scale of premiums plus a policy fee—operate to discriminate in favor of the big policyholder and against the small policyholder.

This point of view makes sense, in our opinion, only if it can be shown that:

1. Price differentials between large and small policies are discriminatory per se and hence discrimination cannot be avoided in applying them; or

2. Price differentials may be equitable and non-discriminatory in theory but companies cannot be prevented from applying them in such a way that they will discriminate against the small policyholder and in favor of the large policyholder.

The idea also has been advanced that even if a uniform price per \$1,000, regardless of policy size, acts to discriminate in favor of the small buyer, this is desirable from a social standpoint.

Possibly there are other arguments that have been made against price differentials, but if so we haven't heard of them, nor have we been able to dream up any.

Let's look first at the validity of the premise that price differentials are discriminatory in themselves and hence can't be applied without being unfair. Merely to state this premise is to expose its absurdity. For it to be valid, one of these conditions would have to exist:

1. It cannot be shown that there is a difference in the merchandising and other costs connected with a small policy as compared with a large policy, hence all policies that are identical in other respects but size should be

charged identical prices; or

2. Even if cost differentials can be clearly shown, the tradition of mutuality, in mutual companies, or equity in all companies requires that all policyholders pay the same rate per \$1,000 for the same policy. Doesn't each mutual policyholder have a single vote at policyholder meetings, regardless of the amount of his coverage?

First, there is no difficulty in showing that there are definite differences in cost between handling large policies and small ones. These differences have always been there. But until the advent of high-speed computing equipment the finer gradations in cost that are possible now would probably have cost more than they were worth if they had been applied.

If there were a difference in mortality that substantially offset the higher expense per \$1,000 of smaller policies, it might be contended that it made the price differentials too small to bother with. But that could not be regarded as a valid argument against the principle of gradation. If it existed, it would just be a factor to be taken into account in computing the gradation formula.

As to the existence of some tradition that requires all policies to bear the same per-\$1,000 share of the expense load, the tradition rests on nothing more valid than the fact that for a long time most companies did it that way. If all companies followed the old assessment-company practice, that of charging every member the same premium rate per \$1,000, there might be some basis for having everybody pay the same expense rate per \$1,000 of insurance.

But that's not the way the life insurance business is run today. Every company discriminates—but fairly—in what it charges its policyholders. It discriminates on the basis of age, type of contract, and often physical condition or hazard of occupation. The principle of modern insurance is that the cost shall reflect, as closely as is practicable, the commitment that the company is undertaking, as respects both life contingencies and savings.

To say that a company may—in fact

must—discriminate on the basis of age and type of contract but should not be permitted to discriminate on the basis of expenses seems a strained interpretation of the meaning of equity. It is true that in a good many companies the policy amounts are so heavily concentrated in certain size-bands that little in the way of equity would be gained by price gradations but that does not constitute a reason why such gradations would not produce a substantially greater degree of equity in many other companies with a much broader distribution of policies by size.

Equity is equity. There are theoretical degrees of refinement that if applied would cost so much as to benefit nobody. But when a more refined degree of equity can be realized without costing more than it saves, then its opponents, not its proponents, are the ones who should be on the defensive, for what these opponents of cost-equity are urging is a departure from true equity into the field of charity. A life company owes its policyholders and their beneficiaries many things, but in fairness to the general body of policyholders, charity is not one of these obligations.

Now let's look at the second possible ground for disallowing price differentials: that even if they are theoretically justifiable they should still be outlawed because they would inevitably discriminate unfairly in favor of the large policyholder and against the small one. The suspicion is that volume-hungry companies would rig their cost scales against the small policy. Thus, the big ones would have such an attractively low cost that the resulting volume would give the company a competitive advantage in the sales and in-force figures.

There are two aspects to this problem. The first is to make sure that no company, under the guise of equitable cost-allocation, saddles expenses on the small policies disproportionately to their actual incidence. This seems fairly easy to control. Rare would be the company that would care to risk being called on the insurance department carpet for trying to get away with such obviously provable unfairness. Even if a company had no ethics or morality, the public relations effect of such grossly unfair treatment would be costly in terms of lost reputation.

What would be the safeguards against this kind of unfair discrimination? Several suggest themselves. The most obvious one is to ask, Which

expenses are per-policy and which are per-\$1,000 of face amount? If expenses were being allocated for per-policy expenses on more than a pro-rata basis against the smaller contract, the evidence of unfair discrimination would be easy to detect. So would a tendency to put into the per-policy category some of the expenses clearly belonging in the per-\$1,000 category.

As long as per-policy expenses were allocated on a per-policy basis and per-\$1,000 expenses were allocated on a per \$1,000 basis, this aspect of doing equity to all policyholders would seem to present no great problem of departmental control.

The second aspect is more subtle and gets onto philosophical grounds. It involves such questions as the loyalty that a company might be considered as owing to each of the various policy-size groups among its policyholders. It has been a company writing fairly small policies and decides to use premium gradation for selling larger policies to a more affluent class of buyers, should the small policyholders whose business built the company up be rewarded by a more favorable net cost than strict mathematical accuracy would dictate, after the flood of new business from big policyholders lowers the company's expense ratio?

Or when a company that has been keeping its net cost down by shying away from small policies applies the graded price principle so as to encourage its agents to sell the smaller policies on a profitable basis, should it skew its cost structure to favor the large policy group that made it possible to write these smaller policies without boosting the expense ratio?

Another consideration is this: How much weight should be given to the fact that the reason a company can show a favorable cost on big policies is that it has an agency and home office plant built on thousands of smaller policies and that without the facilities made possible by this large-scale operation a company would have to charge substantially more for its large policies?

So, while mathematically correct proration of costs between large and small policies presents no great problem, the more subtle and philosophical aspect of price gradation is less easy to deal with. Fortunately, possible distortions seem to be considerably smaller in their potential for unfair discrimination than in the mathematical proration of costs. That is, a company holding strictly to the latter type of equity but doing all it could to skew the costs in favor of one policy-size category could probably affect the category's net cost picture very little.

So long as mathematically correct proration among categories is observed, any slight amount of distortion based on considerations like loyalty to one policy-size stratum or another would seem only to be a reflection of the kind of business the company is most interested in developing. If its business judgment is correct, the company as a whole should benefit from the company's concentration in the field where it feels it is equipped to operate best.

In the long run, this should work out better even for the policy-size bracket that the company is least de-

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and which amount? It is created for people who are more than a pro-rata contract. It is a life company, not an eleemosynary institution. —R.B.M.

Personals

James Pfaff, agent at Chicago of Bankers Life of Iowa, in the audience of the NBC-TV show, *It Could Be You*, was a surprise recipient of a Studebaker Lark. The presentation was made by master of ceremonies Bill Leyden. Mr. Pfaff was recognized for his heroics in saving a 3-year-old boy from a burning home in Lakewood, O., last August.

Louis I. Dublin, health and welfare consultant to Institute of Life Insurance, has been voted the 1959 recipient of the American Public Health Assn.'s Sedgwick memorial medal for "distinguished service in public health."

James B. McIntosh, administrative vice-president of New England Life, has been named chairman of the board of visitors of Boston University college of business administration. He is a trustee of the university and last year was president of the general alumni association.

Deaths

SUMNER H. SLICHTER, 67, Harvard's famed economist, who died in Boston after a long illness, was a brother of President Donald C. Slichter of Northwestern Mutual Life.

C. W. DRUITT, manager of the A&S division of Pilot Life, died in Athens, Ga., apparently of a heart attack. Mr. Drutt joined Pilot Life in 1956.



C. W. Drutt

JEFFERSON D. CARTWRIGHT, 71, district manager of Mutual of Omaha at Bluefield, W. Va., died there after a long illness. He entered the insurance business in 1950.

EDWARD W. COX, 94, a director of Union Mutual Life, died. A retired industrialist, his principal activity was in the shoe business. He was chairman of Maine Bonding & Ins. Co. at the time of his death.

EDWARD C. BOCK, 56, unit manager of Equitable Society at Newark since 1944, died. He joined Equitable as an agent in 1938.

HARRY H. AUGUSTINE, a director of Life of Virginia since 1946, died at his home in Richmond following a brief illness. At the time of his death he was chairman of State-Planters Bank of Commerce & Trusts, Richmond.

LEON H. TOLVERSON, 55, executive vice-president and treasurer of Equitable Reserve Assn., died at Neenah, Wis. He had been with the fraternal since 1919, serving in the

field until going to the home office in 1946 as manager of the loan department. He held successive positions as assistant treasurer, treasurer, vice-president and treasurer, and in 1958 was elevated to the position he held at the time of death.

DITC Explained To Ill. A&S Underwriters

DITC was explained to members of Illinois A&S Underwriters' Forum at the September meeting in Chicago by Stanley Greenspun, general agent at Chicago of Massachusetts Casualty.

A DITC instructor, Mr. Greenspun used slides to illustrate "How To Sell By the Book," the book being the DITC manual. Students are taught to stress to prospects the three kinds of death—actual, economic (retirement), and living (disability)—and that man's most valuable asset is his earning power. The course depicts the hopelessness of trying to survive financially a disability without coverage.

The tax advantages of disability insurance were pointed out by Mr. Greenspun. A&S is the only form of insurance in which insured does not have to pay income tax whether the premium is paid by him or his employer, he declared. Because of this tax break, a \$100 benefit to a man in the 50% income tax bracket becomes a \$200 value.

He said that in teaching DITC, he had observed that the course offers something for everybody in the business. He recommended it for home office underwriters in that they would benefit by learning something of the producer's thinking.

Ariz. Department Names Complaint Supervisor

Director Bushnell of the Arizona department has created the position of supervisor of complaints and appointed Harold C. Stephenson to fill the post. Mr. Stephenson, who will hear and process complaints registered with the department by the public, is a University of Missouri graduate and a member of that state's bar. He has been in public office for a number of years as land law examiner for the bureau of land management. An additional legislative appropriation made the new office possible.

Stocks

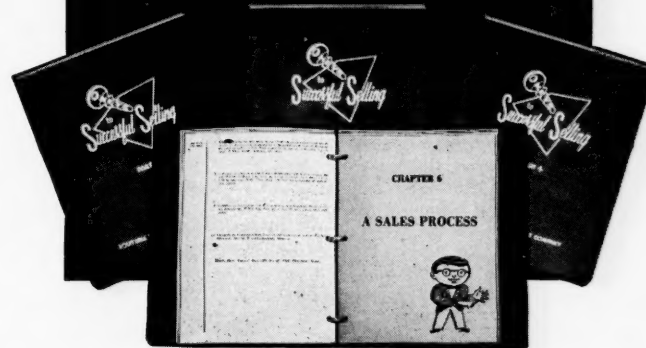
By H. W. Cornelius of Bacon, Whipple & Co. 135 S. La Salle St., Chicago, September 29, 1959

	Bid	Asked
Aetna Life	250	255
Beneficial Standard	16 1/4	17
Business Men's Assurance	40 1/2	42
Cal.-Western States	114	118
Commonwealth Life	21	22
Connecticut General	343	349
Continental Assurance	145	149
Franklin Life	73	80
Great Southern Life	82	85
Gulf Life	22 1/4	23 1/4
Jefferson Standard	92	94
Kansas City Life	1440	1450
Liberty National Life	60	62
Life & Casualty	20	21
Life of Virginia	50	52
Lincoln National Life	223	227
National L. & A.	110	112
North American, Ill.	15 1/2	16 1/2
Nw. National Life	96	100
Ohio State Life	250	275
Old Line Life	64	B. d.
Republic National Life	70	74
Southland Life	98	103
Southwestern Life	140	145
Travelers	87 1/2	89
United, Ill.	41	43
U. S. Life	38 1/2	40
Washington National	59 1/2	62
Wisconsin National Life	42	46

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Kentucky
Maryland
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Agency Department
P. O. Box 1059
Burlington, North Carolina



Home Office Changes

Phoenix Mutual

Eugene T. Demmer, assistant manager, sales promotion, since 1957, has been promoted to manager, sales promotion. He joined the company in 1955 and became sales promotion assistant the following year.

Hugh B. Campbell Jr., agency assistant since 1957, is appointed assistant

manager, agency and brokerage contracts. He entered the Bridgeport agency as an agent in 1950 and was named supervisor there in 1954.

Occidental Of California

Lester S. Roscoe, director of field training, has retired after 22 years with the company. He will continue

with the company as a personal producer.

Mr. Roscoe began in 1923 with Equitable of Iowa, serving for 12 years in the field and as home office supervisor. He joined Occidental in 1937 and became director of field training in 1940.

Prudential

Daniel S. Blackman III, assistant director of agencies, has been appointed associate director of agencies in the ordinary department. He joined

Washington National



Arden Grossnickle

Arden Grossnickle has been appointed assistant actuary in the ordinary division. An associate of Society of Actuaries, he has had 13 years of actuarial experience with Continental Assurance and Central Standard Life.

Massachusetts Mutual

Emmett G. Jergensen, agency assistant since 1954, has been appointed assistant director of agency costs. He joined the agency department in 1947.

David E. Birkhaeuser, training assistant in the agency department since last year, has been named assistant director of training.

Gordon S. Fountain, assistant manager in the premium accounting department since 1951, becomes manager. He joined Massachusetts Mutual in 1949.

Great-West Life

A. J. Marling, manager at Kingston, Ont., has been promoted to superintendent of agencies and J. L. Carpenter, assistant legal officer, to assistant



J. L. Carpenter



A. J. Marling

superintendent of agencies. Mr. Marling joined the company in 1934 and became manager at Kingston in 1954. Mr. Carpenter, with the company since 1953, became assistant legal officer in 1957.

Pan-American Life

Thomas R. Young, regional group manager at Dallas, has been appointed director of sales. Before joining Pan-American in 1956, he was district group representative for Massachusetts Mutual at Houston.

First Pyramid Life

G. L. Huffer has been appointed home office supervisor for eastern and north central Arkansas. He joined the company in 1958 as an agent.

National Fidelity Life

Charles F. Spurlock has been appointed assistant superintendent of agencies.

Puerto Rican Life

I. J. Denmark & Associates have taken over management of Puerto Rican Life of San Juan. Albert R. Denmark has been elected president. He has been a director and vice-president of Olin Matheson International. The

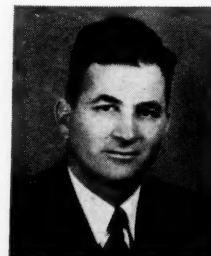
"Planned Living is beginning to prove that it could also be called a 'Planned Career in Selling,' because if an agent will master the Planned Living presentation he can and will become a successful life insurance man."

Walter C. Leck, General Agent
Chicago



"The practical sense and appeal of Planned Living compels a hearing in every instance and almost always secures a favorable interview... this professional approach places our salesmen in a preferred position."

Richard F. Wagner, C.L.U.
General Agent, Boston



"Planned Living is the most sensible and interesting sales procedure we have ever used... in weeks, our new men are gaining the confidence and poise of veteran underwriters in their interviews."

W. Birch Douglass, General Agent
Richmond



- has captured the imagination of the Company
- has touched off a vigorous campaign of field support
- has matured into the *better way* approach in less than a year
- has stimulated these typical remarks from each of our national sales zones

"The great lift that Planned Living has given our Agency, particularly in the area of the 'package sale,' has thoroughly convinced us of its true worth as a sharply-honed and competitive sales aid."

C. Bruce Albert, Manager
Seattle



"Planned Living has been accepted by our Agency as the intelligent approach to satisfying our clients' present and future needs within one excellent visual aid."

Frank Rabinow, Manager
Valley Stream, Long Island



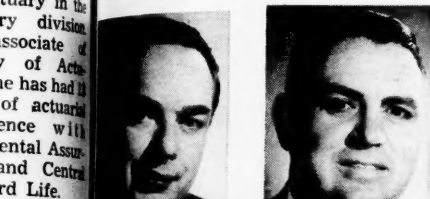
STATE MUTUAL LIFE ASSURANCE COMPANY OF AMERICA

Worcester, Massachusetts

new vice-president and agency director, Ralph Cole, has been with American Bankers and Seaboard Life. Dr. Herman Colberg, the former president, becomes vice-president and medical director.

General American

Field Vice-president Richard H. Bennett has been assigned to head sales and agency building activities



Carl H. Lane



Richard H. Bennett

for all agencies and Carl H. Lane, superintendent of agencies, has been given the responsibility for financial and business management. Working

with Mr. Bennett under the new setup will be Eugene V. Boisubin, C. Eugene Bain, Rex Jeffrey and Ernest B. LeGrande, directors of agencies; Charles E. Fritsche, director of executive and employee benefit plans, and Joseph H. Krull and Warren Goodenough, supervisors of agency development.

Assisting Mr. Lane in the reorganized superintendent of agencies' office will be Richard P. Nagle, manager of agency records and contracts; Earl M. Coe, manager of statistical records, and Alice Becker, manager of financial records.

Mr. Bennett joined General American in 1948 and has been field vice-president since 1956. Mr. Lane went with the company in 1951 and became superintendent of agencies in 1956.

New York Life

Joseph C. Sibigroth, former assistant vice-president and actuary, has been appointed 2nd vice-president and actuary.

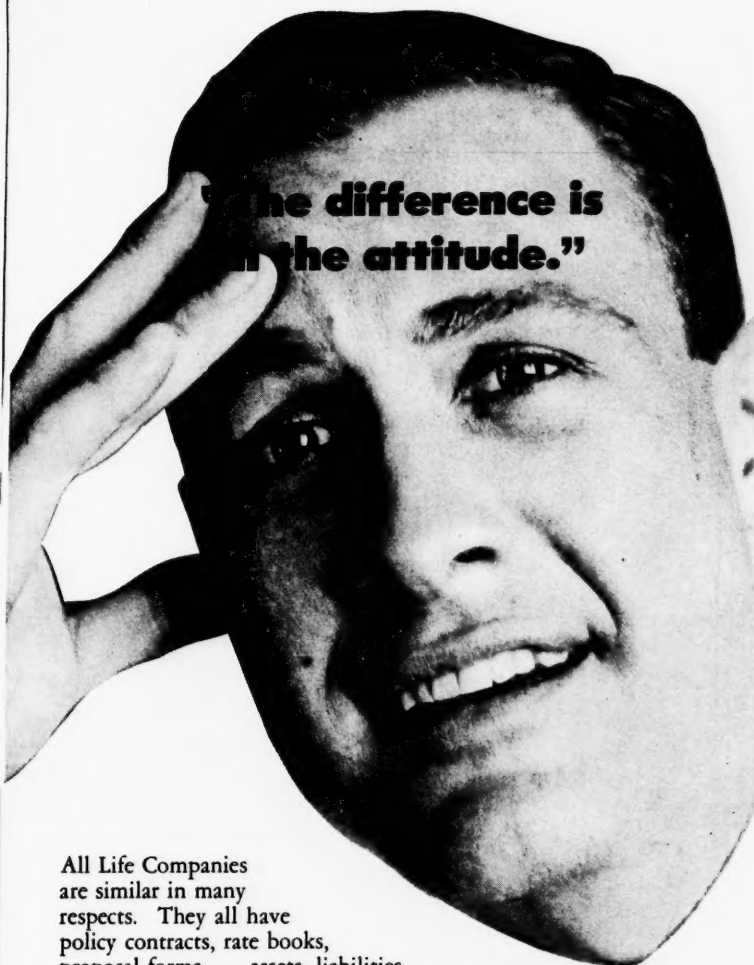
In other promotions, Alden W. Brosseau and Thomas Irvine, associate group actuaries, are named group

actuaries; John S. Thompson Jr., associate actuary, becomes actuary; Dr. Murray F. Bell, associate medical director, is appointed medical director; John C. Fraser and Walter Schur, assistant actuaries, are promoted to associate actuaries, and Thomas D. Sloan, assistant group actuary, is named associate group actuary.

A. L. Crouter, general purchasing agent, is appointed assistant vice-president in the purchasing department; Albert E. del Vecchio, executive

assistant, becomes assistant vice-president, and Edward G. Wendt Jr., assistant actuary, is promoted to assistant vice-president for market development. Bruce J. Davey, administrative assistant, is named assistant treasurer.

Cornelius Hyatt Jr., administrative assistant, is appointed executive assistant in the office of James T. Phillips, senior vice-president and chief actuary; Nora M. Beattie, Walter N. Miller and Harvey Stabin, actuarial assistants, are promoted to assistant actuaries;



All Life Companies are similar in many respects. They all have policy contracts, rate books, proposal forms . . . assets, liabilities, a home office . . . and a field force.

But in one important way they differ. Life Companies, like people, have personalities. They have beliefs and philosophies.

Here at Union Mutual, it is our philosophy to *build our field men* not "push them." Through the best sales tools and careful training, guidance and supervision, we help our field men to become better salesmen. With consideration and understanding, we build them, both in stature and income, to where they are happy members of their community — a credit both to themselves and to the name of Union Mutual.



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Canadian Head Office — Montreal, P. Q. • America's Eighth Oldest Life Insurance Company

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Roland E. Irish, President — John R. Carnochan, Executive Vice President

LIFE UNDERWRITERS SINCE 1848

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(or: It isn't any secret any more!)*

During 1958 the North American advanced 61 positions among all U. S. life companies—life insurance in force—placing it in the upper 6th of the industry.

Authority: *The National Underwriter*
April 25, 1959

*The secret is ACTION!.. For the "ACTION" Story write or call

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ALLEN V. DOWLING, PRESIDENT



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Life, Accident & Health Insurance

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and Joseph D. Austin, John E. Oxley and Alfred A. Walter, actuarial students, become actuarial assistants as does Henry Martin, former electronic research analyst and planner.

Francis P. Murphy, formerly in the economic section of the investment department, is appointed assistant director of economic studies; William E. Keiter and James P. Syrett, senior investment analysts, are named supervisors; William D. Wallace, investment analyst, is promoted to senior investment analyst.

Arthur D. Bauer, supervisor, auditing, is promoted to senior supervisor; Richard C. Leonard, assistant underwriter, is named associate underwriter in the life underwriters' department, and Robert S. Mason, senior public relations associate, becomes director of editorial services, public relations.

Pilot Life

Lee J. Rorex, former agency assistant, has been promoted to director of agents training, ordinary division.

American United

Cleo A. Hennings has been appointed assistant manager of group sales. He has been in group sales nine years.

UNITED SERVICES LIFE of Washington, D.C., has appointed Robert W. Boyd agency supervisor.

EXCELSIOR LIFE has promoted Morgan S. Crockford from secretary to assistant general manager and secretary; George R. Fraser from

actuary to assistant general manager and actuary; H. Reginald Fisher from comptroller to assistant general manager and comptroller, and Alan D. Carnegie from assistant treasurer to treasurer, succeeding Alex P. Johnston, who has retired.

WABASH LIFE of Indianapolis has appointed Howard R. Royer vice-president and director of agents, life division, the position he held when he left the company four years ago. He has a background of 35 years in insurance.

APPALACHIAN NATIONAL LIFE has elected Arthur C. Masingill Jr. as secretary and treasurer. He has been assistant secretary and assistant treasurer of American Investment Life and before that was chief accountant of Guaranty Savings Life.

UNIVERSITY NATIONAL LIFE of Norman, Okla., has promoted Talmadge Kolb to vice-president. He has been agency director and before joining the company was with Bankers Service Life and Standard L&A.

UNITED OF CHICAGO has assigned Nathanael Rathbone to the actuarial staff. In the business 17 years, he was in actuarial work with Washington National.

'One-Stop' Agent, One Monthly Check Seen

(CONTINUED FROM PAGE 2)

again entering is long-term disability, the speaker noted. Life companies have shied off from this field because of their own unhappy experience with the long-term disability benefits they issued in the late 20s and early 30s, either in the form of non-cancellable A&S policies or in conjunction with life insurance policies, he recalled. "Little by little, as memories grow dim, the life companies have returned to the long-term disability field on an individual basis and have found it to be profitable under present day conditions."

Mr. Scott scored critics who have charged the life insurance industry with failure to develop new products. "A list of new products which have appeared in the last few years would include the family policy, the major medical plan (both as individual and group insurance), the guaranteed insurability rider and the variable annuity."

"I believe I can safely say that none of these was the adoption of an idea which laid on the shelf for years unnoticed. Not only have these new products been developed but many of the old ones have added improvements which permit the adoption of old standbys to new uses, like the introduction of the many forms of quantity discount and the growth of the pre-authorized check. There appears to me to have been more activity in product development in the last 10 years than in the previous century."

Withdraws High Cash Value Policy

Postal Life, in accordance with a regulation of the New York department, is withdrawing the endowment at 90 policy, effective Nov. 1. The company will accept applications for this policy until Oct. 16.

Ralph L. Rosenblatt, Beverly Hills, Cal., led the field force of Midland Mutual in August for man-of-the-month honors.

What is a General Agent?

For most people who have made a success of themselves in life, somebody . . . someplace along the way . . . made the difference.

For life insurance men, that somebody is often a General Agent. And what is a General Agent?

He is a manager of men . . . a financier . . . an executive. A recruiter, trainer, guide, coach and counselor.

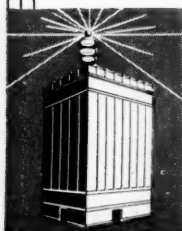
He's like a father who gives his boy a new electric train . . . helps him lay the track and shows him how to pull the switches . . . then encourages his son to do it himself and experience the thrill of making the wheels go round single-handedly.

A General Agent is like a favorite schoolteacher . . . the kind who made even Antarctic geography seem fascinating . . . who made you feel he'd been to the South Pole and loved it . . . and who made you think you'd like to go too.

And he's like your minister, priest or rabbi . . . a source of spiritual refueling . . . help towards a meaningful insight into life—and how to make it better.

This is the kind of man General American Life has sought—and seeks to develop to head its agencies. The kind of man who, because of his personal attributes and his desire to use them in building the careers of others . . . can make the difference between just a man who sells life insurance and a self-assured, competent, dedicated financial security counselor.

General American Life's philosophy of management is founded on the general agency system. This philosophy is reflected in the company's products, its methods, and its agency contracts.



GENERAL AMERICAN LIFE INSURANCE COMPANY

GA

Home Office: 1501 Locust Street, St. Louis, Missouri

Changes In The Field

Massachusetts Mutual

Franklin E. Scheidler has been appointed general agent at Toledo. He entered the life business with Northwestern Mutual at Findlay, O., in 1946 and later became district manager there. He is a CLU.



Franklin E. Scheidler

Stephen W. Edwards has been appointed staff supervisor of the Jordan agency at Chicago. He has been in insurance since 1957.

Colonial Life

Thompson Derr & Brother, Inc., fire and casualty managing general agency, has been appointed general agent at Wilkes-Barre, and J. Mitchell Ehrlich becomes manager of the newly formed life department. He began his life insurance career with Continental Assurance at Philadelphia, where he later joined Occidental of California as assistant brokerage manager.

Berkshire Life

Patrick E. Higgins has been named head of a new agency at Chicago. He joined Berkshire's agency department staff in 1958 and before that was



John A. McBain II



Patrick E. Higgins

assistant manager of New York Life. John A. McBain II has been appointed general agent at Dayton. He was named assistant general agent of Bankers Life of Nebraska at Cleveland in 1948 and general agent of Bankers Life of Iowa in 1950. In 1953, he returned to Bankers of Nebraska as brokerage manager and in 1955 became assistant general agent of Northwestern Mutual.

Postal Life



Hy Lampe

Hy Lampe has been appointed general agent at White Plains, N. Y. He has been with Eastern Life.

Northwestern Mutual

Wayne S. Trumpf has been appointed manager of the mortgage loan regional office at Milwaukee, succeeding Clarence C. Slater, who has retired. Mr. Trumpf joined the company

in 1951 as a loan analyst and since 1955 has been assistant manager of commercial mortgages and real estate.

American Mutual Life

Appointed general agents are Tennessee Henderson Jr. at San Antonio, Jim H. Fendley at Waco, Tex., Lee Rask at Portland, Ore., George Bellair at Detroit, and Robert Roark at San Diego.

Bankers L.&C.

Wayne Hamilton has been appointed manager at Kansas City. With the company since 1952, he has been manager at Indianapolis and prior to his appointment was sales coordinator at the home office.



Wayne Hamilton

Mutual Benefit Life

Herbert J. Larmann has been assigned to head a newly formed pension employee benefit department of the Earls agency at Cincinnati. He has been employee benefit consultant at the home office of Union Central.

Provident L.&A.

Denver C. Fields has been appointed general agent at Springfield, Ill. He started with Reliance Life which merged with Lincoln National and for 14 years he was general agent at Springfield for Lincoln National.



Denver C. Fields

Connecticut Mutual Life

Harry B. Mathewson has been appointed general agent at Honolulu, where he has been division manager of Prudential. He is serving his third term as president of Hawaii Life Underwriters Assn.

Equitable Society

Cecil R. Kelly, unit manager at Macon, Ga. for the Atlanta agency, has been appointed manager of the newly opened agency at Macon. He joined Equitable in 1946 as an agent and was promoted to field assistant in 1946 and district manager at Macon in 1948.

George W. Holt, who established the agency at Covina, Cal., in 1956, has been transferred to Detroit as manager to succeed Coy G. Eklund, who recently was elected vice-president and assistant to the president. Mr. Holt began his career with the company in 1947 and was named manager at Newark in 1953.

Succeeding Mr. Holt at Covina is Rick Gouin, unit manager at Encino for the Shamel agency of Los Angeles. Mr. Gouin joined Equitable in 1952 and established the Encino unit in 1953.

LeRoy Radloff of Wausau, Wis., has been cited by Franklin Life as general agent of the month for September.

Franklin Life

George J. Lamb, regional manager at Omaha since 1958, has been appointed to the newly created position of director of training of the home



George J. Lamb



G. H. Shapter Jr.

office agency. He has been in insurance since 1952.

George H. Shapter Jr. is new general agent at Columbus, O. He was with Lincoln National.

Connecticut General

Lloyd A. Siewers has been appointed assistant manager of the Broadway

agency at New York. He joined the company in 1956 as a brokerage consultant in New Orleans, where he later was promoted to senior brokerage consultant.

Named senior brokerage consultants are Douglas L. Metz at the Chicago branch office and Charles E. Baker Jr. at the Chicago brokerage agency.

Brokerage consultants appointed are Robert H. King at the Chicago brokerage agency; Charles S. Beck at the Charlotte brokerage agency and James E. Freeman at the Memphis brokerage agency.

AMERICAN INVESTMENT LIFE

has appointed Dick Sisler and Mort Howard general agents at Nashville. Mr. Sisler is the former National League baseball star.

PACIFIC NATIONAL

has appointed Jack R. von Gillern manager of a new office at Salt Lake City. He has 19 years' experience in insurance.

UNITED OF CHICAGO

has appointed Michael Petty district manager at Milwaukee.



"Egad, Harvey, you're the man we want!"

If you're looking for a Life Insurance Company that . . .

- Aims first for quality of plans and service
- Has a proven planned program for solid growth and development (sales up 28% over last year!)
- Now actively moving into commercial group plans through own existing agencies
- Has full portfolio of well-rounded Life Insurance sales material

You will go places with a company that's going places

Write: G. Frank Clement, C. L. U.
Vice President in Charge of Agencies

There's only one

Shenandoah Life

INSURANCE COMPANY

Home Office • Roanoke, Va.

A Mutual Life Insurance Company Owned By And Operated For Its Policyholders



Adams' Record Cited At Award Ceremony

(CONTINUED FROM PAGE 2)

fluent expression, you have been characterized often as the eloquent voice carrying the message of life insurance far and wide. Your superb delivery of carefully prepared addresses charmed innumerable agency gatherings and company conventions. Significant indeed have been your contributions to the formal meetings of organizations both within and outside our business, extolling the gospel

of protection, thrift and prosperity. Clearly indicating your philosophy is your view that "truth emerges from much talking, and wisdom from an amplitude of argument."

Cites Outstanding Addresses

Out of a host of sparkling addresses, some stand out pre-eminently: your 1948 Institute of Life Insurance talk on "Life Insurance, A Main Street

Institution," establishing the business in the thinking of many as a "Main Street enterprise." Another, your 1951 Life Insurance Advertisers Assn. speech on "Guns, Butter and Life Insurance" stressed the insidious influence of inflation.

Still further, at the 50th anniversary meeting of the Life Insurance Assn. of America in 1956 you reviewed the constructive changes in the life insurance picture since your entry upon the insurance scene. In sum, you sagely concluded: "The foundation of the institution remains un-

altered. The superstructure is greatly enlarged and considerably changed. We have prospered with the nation. We have held to principle but have kept step with progress." You emphasized also "the growth of the institution, the breadth of its service, the wide dissemination of its benefits and the progress being made toward our prime objective, the conquest of dependency."

Admired Rate-Book Carrier

Evident always was your deep admiration and affection for the man with the rate-book, the motive power of the business. Consistently you have been an ardent advocate and supporter of the agent's rightful place and status in the scheme of insurance company operations. In your 1945 LIAMA address, "A New Epoch," you emphasized that "one of the most immediate tests of institutional statesmanship, and one of the most important in its implications, the most significant and certainly the most easily demonstrable difference between the operation of life insurance as a private enterprise and as a public function is the expert, personalized, professional service of the competent, well-informed, well-trained life insurance agent. This is implicit in the former, impossible in the latter."

Has Been Staunch Champion

You have been a staunch and zealous champion of the best traditions, interests and well-being of all segments of the life insurance business, large and small, regardless of geographical location, or class of coverage, and few indeed have displayed more forthright conviction in an effort to present for a business a common front under which all might live and prosper.

Despite repeated serious surgical operations, you have carried on your important work courageously and effectively during a most trying period. You are a worthy choice for our accolade, having enriched our business by your leadership and superior achievements. Accordingly, it is with high pleasure that the award committee hereby cites you, Claris Adams, for the John Newton Russell memorial award for 1959.

Stockholders OK New Capital For Commonwealth

Stockholders of Commonwealth Life have approved the increase in capital from \$4 million to \$5 million. The company will have 2.5 million shares of par \$2 stock, and the stockholders will receive a stock dividend of one share additional for each four now owned, payable Oct. 5 to stock of record Sept. 22.

The Man From Occidental

IS A SECURE MAN

He has Security because he "belongs" with Occidental. He was carefully selected for his aptitudes and interests. He knows he's "wanted".

He's secure because Occidental helps him earn a career-man's income. Our training program builds his confidence. Our "packaged" merchandise opens more doors . . . disability and life coverages combined . . . guaranteed insurability . . . salary savings . . . PERSONALife programming . . . accident and sickness . . . we support him, too, with liberal advertising and promotion allowances.

ATTENTION: Management opportunities available in Florida, Alabama, Georgia, Louisiana, Arizona.



Look into an Occidental career now. Contact 'Cou Browne, C.L.U. Vice President in charge of Agencies.

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OF NORTH CAROLINA
HOME OFFICE - RALEIGH

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Established 1945
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FRANK LANG & ASSOCIATES
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521 FIFTH AVENUE NEW YORK 17, N.Y.

LOMA Names Bader To Succeed Lane At Chicago Conference

(CONTINUED FROM PAGE 2)

growth. "We must grow or die," he declared. "This is an immutable law of life, and it is true of all life—corporate, animal or plant."

Mr. Wallace observed that the secret of success lay in the concentration on one goal, which must be as high as possible. A too-low goal, he cautioned, is self-destructive. As to his personal goal, he said, "I can imagine myself as president of a billion-dollar company. Eventually, I'm sure we'll do it." (His company has about \$200 million of life in force.)

Must Reverse Attitude

Jean Paul Mather, president University of Massachusetts, in his talk on "The Community Faces the Long-hair," warned that the American people would have to "reverse their attitude toward teachers if we are to survive. An entirely different image of the teacher will have to be cast." In Russia, the teacher is the number one element in their society, he said. Calling for American business to increase contributions to education, he emphasized that the federal government might have to take up where industry failed. "Last year, corporations contributed about one-fifth of their authorized maximums," he charged.

At a panel session titled "The Latest Word—Some Thoughts About Our Business," Robert

C. Perry, 1st vice-president State Farm Life, was moderator.

Paul A. Norton, vice-president New York Life, said recruiting of life insurance agents has never been more difficult. "We have deliberately made it more difficult by raising our

Paul A. Norton

standards of selection. We try not to deceive ourselves into thinking that everyone can be a successful life insurance representative." He added that statistics are working against the insurance industry. While the population as a whole is growing, the age group in which the recruiters are interested (roughly, 25-40) is not. Other industries are actively recruiting in the same age group.

Are Becoming More Selective

"We have become more selective precisely at the time when there are fewer from whom to select and when the competition for these few is rapidly increasing," Mr. Norton declared. It has become necessary for the life insurance business to train recruiters carefully, he continued. Through the use of management training programs, recruiters are drilled and trained in methods that help bring them into direct contact with more and more prospective agents of the right caliber.

"And what kind of man is that? Preferably a college man; preferably someone now employed; preferably someone whose business or professional experience has brought him into contact with other people; and—not preferably but absolutely necessarily—someone who will work as hard or harder for himself than for someone else. Ambitious, hard-driving self-starters—that's the kind of men we're looking for in the agency end of the business."

The speaker cited pre-contract

training as a recent and interesting experiment in selection methods. Years ago, he recalled, when someone entered the life insurance business he had to make an investment. Today, he said, this is seldom true. Most new men are financed, at a substantial rate and for a considerable length of time.

"Handling such plans is a very tricky business," he emphasized, "for

the more promising the new agent, the more we are willing to invest in him—the more we stand to lose. Modern financing plans are liberal, flexible—and explosive. They must be administered with great skill if our business is to succeed."

About the only way a life insurance company can increase its income today is to obtain larger returns on its investments, Leslie O. Copeland,

executive vice-president North American Life of Chicago, said. "Agency expenses are continually increasing, home office operating costs are increasing and taxes have increased," he noted, "yet none of us has thought of increasing the premiums on the policies we sell. Therefore, the margin of profit is getting smaller and smaller and the only way that some of these increased costs can be offset is by larger returns on investments."

The answer to the question "What is the best type of investment to

AS N/W NATIONAL LIFE BEGINS ITS 75TH YEAR . . .

Hugo Gailfus Finds Life Insurance Is for Living . . . Even at 96



Vincent W. Crary, manager of N/W National's A. W. Crary Agency at Fargo, and Howard Leonard, N/W National agent at Rolla, give 96 year-old Hugo Gailfus a \$3000 check for the face amount of his 15-Pay Life policy purchased in 1908.

FIFTY-ONE years ago, Hugo Gailfus of Rolla, N.D., purchased a \$3,000 policy from N/W National Life—a policy which has long since been paid up. Last month, coincident with the start of N/W National's 75th Anniversary Year, Mr. Gailfus was handed a check for \$3,000, the face amount of his policy. For at 96, Hugo Gailfus has outlived the mortality table.

When Gailfus was born in prairie-frontier surroundings, Abraham Lincoln still had two years to live. In 1885, the year N/W National was founded, Gailfus was a rugged 22-year-old, busy building a log-and-sod house on the 800-acre farm he still owns.

Times were looking up in 1908 when he bought his N/W National Life policy. But wars, depressions and family crises lay ahead. "I am in trouble and want some money," he wrote us in 1921. "I bought \$2,000 worth of stock in a bank in California that failed and now they are making a 100% assessment. How much money can you advance on my policy? . . ."

Some years later he wrote, "Owing to poor crops and poor prices . . . I think probably this is the first time I am unable to pay you. But hope that things will take a turn for the better." Again, a loan tided him over.

In depression-wracked 1933, Gailfus, with "pratically no crops, owing to drought and grasshoppers," and doubtful if I could borrow money anywhere else," once more wrote us, "hoping you will be able to carry me until better times come." And "carry him" we did, along with thousands of other policyowners.

Thrifty Hugo Gailfus long ago paid back his policy loans. When the check for \$3,000 was delivered to him, it marked more than the fulfillment of a half-century-old contract. It reaffirmed to life insurance buyers once again that N/W National can be lastingly relied on to keep faith with them, through good times and bad.

N/W NATIONAL
Life Insurance for Living

Northwestern National Life
Insurance Company
Minneapolis, Minnesota
Founded September 15, 1885

make?" changes from week to week, he pointed out. It is affected by our present day thinking on the trend of interest rates, on inflation and general business conditions, on the effect of the federal income tax, and on needs for extra earnings.

"Many changes have taken place in the type of investments made and many more are coming," Mr. Copeland emphasized. "Fourteen years ago life insurance companies had 45.9% of their assets in government bonds. Now they have 6.7%, with the amount decreasing each year. This change occurred mainly because of the need for larger income.

Government Bonds Are Safest

"There is no safer place for money than in government bonds, but with our increases in taxes, salaries and other operating expenses, it was necessary to convert this money from government to other higher yielding securities. Most of this money was transferred to industrial bonds and mortgages. Industrial bond holdings increased 12 times, and mortgage loans have more than tripled."

In the last six years, he continued, life companies more than doubled their ownership of real estate investments and tripled their common stockholdings as a hedge against inflation. He predicted that there will be a gradual increase in the amount of common stocks owned by life companies, especially as more of them become interested in variable annuities and with the added tax advantages under the new federal income tax law.

Will Buy More Municipals

While the benefit varies from company to company, Mr. Copeland said, many of them, especially stock life insurance companies, will no doubt increase their amount of purchases of municipal bonds and possibly common and preferred stocks because of the added advantage given them under the new tax law.

Loflin E. Harwood, director of public relations Southland Life, advised his audience to expect a continuation of the trend toward aiming public relations efforts at specific groups. Policyholders are an example of a public with whom companies must have more frequent as well as more effective

communication, he said. He gave as another likely development the increased use of the opinion survey. This enables the company to find out what its policyholders think of it and what they want to hear from the company. For complex problems that demand professional help, he suggested the survey be made by an outside firm, but emphasized that in many situations a questionnaire developed in the home office will serve the purpose well.

Potential Enhanced

He also remarked that more specialized techniques for communicating with employees are on the way, cited the LOMA study course leading to the designation of Fellow, Life Management Institute as "vastly enhancing the potential for effective public relations through individual and group contacts" and concluded on the note that "there is no magic or hocus-pocus in life insurance public relations. Most people know this, but there are still some who ascribe to the public relations practitioner the ability to bring about miracles." The fact is that no public relations effort can be productive over a period of time unless it is based on a business policy of recognizing and operating in line with public interest, said Mr. Harwood.

Other panelists included David G. Scott, 1st vice-president and actuary Continental Assurance; Henry F. Rood, senior vice-president Lincol'n National Life, and Sherwin C. Badger, vice-president New England Life.

Renaissance Period

Everett H. Lane, president Boston Mutual Life and outgoing LOMA president, abjured the membership to acquire a larger understanding of the life insurance picture as a whole, since he believes the business is in a Renaissance period which has been in progress for some time and which "will continue far into the future . . . In the very recent past, we have seen the growth of term insurance once so frowned upon, the family plan, guaranteed insurability, the sharp resurgence of monthly debit ordinary, the immense growth of group insur-



Travis T. Wallace



Everett H. Lane

ance in all its variety, the birth of variable annuities and a multitude of other changes in the form of our basic product."

Not all of these developments are new, Mr. Lane added. "Many are a rebirth, a renaissance, if you will, of ideas long dormant and dreams which are becoming realities." He called LOMA, in its field, "the vehicle best suited to accumulate the ideas of many and serve as an informed conduit to bring such ideas to all who seek them."

G. Herbert True, author, lecturer and former University of Notre Dame professor, spoke on cultivating new ideas and open-mindedness, saying that "the problem starts when too many of us think in fixed, rigid patterns formed by our education and background. . . It is management's responsibility to stimulate and encour-

age employees in every category to germinate and apply ideas . . ."

He observed, however, that the typical suggestion system isn't the solution either, particularly if the employee is required to write down his suggestion or sign his name to it.

"The answer to this problem," he said, "will come only when every executive and supervisor cultivates the kind of atmosphere that encourages subordinates to volunteer their ideas verbally and then feel that those ideas will be evaluated informally. By understanding and acting on the basis of proper creativity principles, any executive can raise his company profits and sales at least 10%."

The meeting included Canadian, eastern, midwest and southern planning sessions, as well as sessions on personnel, cost, debit insurance and organization. There was also an exhibit of office machinery and equipment.

The annual conference for 1960 will be held at the Royal York Hotel, Toronto.

Princeton Holds \$9.5 Million In Insurance Stocks

Princeton University in its financial report for the year ended June 30, 1959, reports that the market value of its "pooled funds" investment in insurance stocks was \$9,565,163, the book value being \$5,306,120. Total investments in common stock were \$103,903,479.

Topping the list is Federal, there being 33,912 shares valued at \$2,000,808. Federal is 10th largest Princeton common stock investment in dollar amount. Next largest insurance holding was Connecticut General Life with 3,008 shares and market value of \$986,624. There were 2,590 Great-West Life, market \$914,270; 4,638 Hartford Fire, \$862,592; 3,000 Lincoln National Life, \$633,000; 3,750 Continental Assurance, \$596,250; 5,600 Travelers, \$459,200; 2,000 Aetna Life, \$450,000; 5,000 Seaboard Surety, \$385,000; 3,000 National Life & Accident, \$330,000; 3,000 Provident Life & Accident, \$273,000; 2,200 North America, \$272,800; 1,500 Crown Life, \$265,000; 1,475 Southwestern Life, \$206,500; 3,600 Pacific, \$198,000; 2,250 Massachusetts Protective, \$148,500; 100 Kansas City Life, \$145,000; 3,025 Northern of New York, \$136,125; 2,500 New Amsterdam Casualty, \$120,000; 1,600 Crum & Forster, \$100,800, and 2,800 U. S. Fire, \$81,200.

Mutual Trust Life Holds Regional Meetings

Mutual Trust Life held three regional meetings for leaders of the field force accompanied by their wives at Dixville Notch, N. H.; Mackinac Island, and Carmel, Cal.

Theme of the business sessions was "To Find and To Serve More and Better People" and emphasis was placed on the importance of fundamentals of selling. Both agents and home office representatives took part in the program. President Raymond Olson, who presented awards for service and production, and Sam F. Emma, superintendent of agencies, appeared on the program.

Tom P. Haney, general agent at Panama City, Fla., has been designated the first Praetorian Mutual Millionaire for achieving \$1 million of production.

WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance. THE NATIONAL UNDERWRITER—LIFE EDITION

KANSAS CITY AGENCY OPPORTUNITY

. . . for qualified man with supervisory experience to head established Life Agency of large, progressive eastern company. Includes all lines of Life, Accident and Health, Group coverage. Excellent financing plan and training program for agents. If you have field supervisory experience and believe you are ready for your own agency, write giving complete resume of your background. Your reply will be kept in strict confidence. Reply to: Box J-94, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SALES PROMOTION AND ADVERTISING

Wanted: Young man to 35 with good knowledge of the insurance business to supervise sales promotion and advertising activities of fast-growing ordinary life, credit life, auto, fire and casualty companies. Work with top flight sales and advertising people in Los Angeles home office of \$500 million parent corporation. Write in confidence including background, experience and initial salary requirements to Box J-92, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ASSISTANT ACTUARY

Opportunity for young man to enter Consulting office serving insurance companies throughout the Midwest. Requires basic knowledge of Actuarial Mathematics. We would like to talk to you if you have the capacity to advance and accept responsibility on a professional basis whatever your experience or present attainment is. Please reply, in confidence, giving a summary of your experience and personal background to Box J-93, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

HOME OFFICE OPPORTUNITIES

A newly organized, progressively minded Life Insurance Company with Home Office in New York City is seeking 3 qualified young men to set up and administer the Accounting, Underwriting and Agency Departments. If you do not see unlimited potential for advancement in your present position, this is a ground-floor opportunity. Compensation open. Send detailed resume in confidence to Box J-95, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

EXECUTIVE ACTUARY

Old, established Life and A&H company doing \$120 million annual Life volume seeks qualified mature actuary (FSA) for vice presidency in direction of rapidly expanding operations with highest-grade management. Career and future of assured promise to the man accepted. Chicago area. Confidential to Box J-56, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Life Manager

A new midwestern life and casualty company has a real opportunity for responsible position for man experienced in home office management level. Preferably familiar with problems of new company development. Age secondary to experience qualifications. Salary is open in company with sound financing. Replies confidential. Opportunity for interview based on letter of application. Write to Box J-50, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SECRETARY WANTED

By multi-million life insurance broker. Must have experience in life insurance with ability in preparation of proposals and policy audits. \$6,000 per yr. starting salary with opportunity for advancement. Give Resume.

Write Ruth L. Stevens
504 First National Bank Bldg.
Miami, Florida

SACRIFICE

30 visual aid sound slide projectors, new and used demonstrators, O. J. McClure Mfg. Buy one or the lot—terrific discount—first come basis. Write Suite 215, 655 Broadway Bldg., Denver, Colo. or Phone AMherst 6-3835.

Photos From NALU's Philadelphia Convention



At the Monday luncheon of the NALU convention: Mrs. Francis J. Myers, assistant to the city representative of Philadelphia; Lester O. Schriver, NALU managing director, and Ellen Putnam, National of Vermont, Rochester, N. Y., NALU trustee.



Three trustees at NALU board meeting: Robert W. Frye, Northwestern Mutual, Denver, quality business committee chairman; R. B. ('Tilly') Walker, New York Life, Hollywood, Fla., chairman of the committee on relations with accountants, and Jack A. Stewart, Phoenix Mutual, Cleveland, chairman of the education and training committee.



as, and to John Donohue, Penn Mutual, Baltimore, chairman of the building fund committee. A building fund rally was conducted at the annual convention of NALU in Philadelphia.

At the reception and tea given by the Philadelphia association during the NALU annual meeting: From left, Mrs. Leonard T. Smith, whose husband is manager for Prudential at Cranston, R. I., and is the new chairman of General Agents & Managers Conference; Ray H. Wertz, Lincoln National, Detroit, a past chairman of GAMC, and Mrs. John Z. Schneider, wife of Connecticut General Life's manager at Baltimore.



Zazel L. Castor (left), John Hancock, local chairman in charge of arrangements for Monday's luncheon at the NALU annual meeting; Marion I. Gilmore, John Hancock, Albany, chairman of the "Red Rug" welcoming committee of the women underwriters committee, and Wilbur H. Hamilton, member of the Boardman-Hamilton & Co. general insurance firm and of the Philadelphia city council, who was instrumental in putting through the official proclamation of the insurance day by the city government.

ACTUARIES

Lenard E. Goodfarb, F.S.A.
Consulting Actuary

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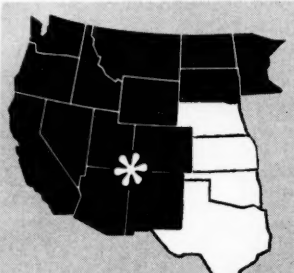
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Tells What Claim Man Can Do About Misstatements In A&S Applications

(CONTINUED FROM PAGE 10)

sured. The form should be simple in nature and state that no premium notices or policy action should be taken without consultation with the claim department and the individual handling the claim.

"Thus, some day we might have the left hand knowing what the right hand is doing and prevent embarrassment at trial," Mr. Harnett said.

Believes In Own Good Health

Explaining earlier in his talk the reasons for these suggested safeguards, Mr. Harnett said that as respects the sound health declaration, the average person is inclined to believe he is in good health and free from the effects of injury, as stated in the question. Yet he may well be suffering from a serious disease or disorder. Is he to be penalized if a later event proves him wrong?

Most states have a statutory definition of a representation. Section 149 of the New York insurance law states that "a representation is a statement as to a past or present fact made to the insurer by the applicant or by the authority of the applicant. . . ."

Not Affirmation Of Fact

Twice the New York court of appeals has held that a representation as to good health in an application for insurance is not an affirmation of fact and this view has been adopted in other states.

The apparent philosophy behind these decisions is that the applicant in good faith believed and was justified in believing that his health was not impaired, Mr. Harnett pointed out. The courts have ruled that the answer cannot be intended to do more than convey to the company assurance that the applicant has had no symptom of disease which would ordinarily act as a warning or notice, even to a layman, that his health might be impaired in a substantial degree.

Burden Is On Insurer

This leaves to the insurer the necessity of proving that the applicant knew or had reason to know his health was substantially impaired at the time he made his application. In the absence of such proof, the insured will recover the policy benefits.

"Thus," said Mr. Harnett, "we may conclude that unless the statement or misstatement pertains to a fact, as opposed to the insured's opinion or belief, courts will continue to hold that, short of a showing by the insurer that the insured knew or should have known he was not in good health, the insured will recover under the policy."

Was It Material?

Even if there was a misstatement, was it material and can the insurer prove it to be so? In general contract law, to provide a basis for rescission, the misstatement of fact must be material and this principle carries over into insurance contracts, sometimes specifically by statute. In New York, if knowledge of the fact misrepresented would have led to refusal of the risk, then it is deemed material.

Generally, materiality is considered on this basis: Would the insurer accept the risk or does the misrepresentation increase the hazard of the risk? Thus the claim man must be certain that the misstatement is such that if the truth were known his company would not have written the policy and he must be able to substantiate his

position by proof of the company's practices.

In a substantial number of misrepresentation allegations, failure of the insured to list prior diseases or medical treatment is the troublemaker. A study of the cases indicates that in the absence of some special factor the courts will consider failure to mention any serious disease or medical treatment to be material as a matter of law. Whether a certain ailment increased the risk of loss is ordinarily considered a question of fact for the jury.

By way of proving that the misrepresentation is material, the insurer may resort to its established underwriting practices and use the testimony of its medical director. In this regard, in the recent case of *Lindenbaum vs. Equitable Society*, 5 App. Div. (N. Y.) 2d 651, 174 Supp. 2d 421 (1958), the bare testimony of the medical director that the risk was unacceptable was held to be insufficient proof of the company's underwriting practices. The court indicated that past underwriting records, established rules of the company or other documentary proof would have to be used to supplement the medical testimony so as to constitute "evidence of the practice of the insurer."

Collusion Voids Claim

It is not uncommon in A&S litigation for the insured to maintain that prior to the signing of the application he had a certain condition and to contend that he gave the correct information to the agent and that either the agent filled in the incorrect information or instructed the insured to do so. In such instances, the result depends invariably on the facts proved. If the agent violated his obligation to his company, the verdict is adverse to the insurer. If the insured acted in collusion with the agent, his claim fails because of its taint.

In many instances of claim handling; the insured in his application answers a question indicating the existence of a prior illness, but his answer is only partially correct. Some courts have held that such a partial answer puts the company on notice to investigate further and the fact that the condition may be more serious than is indicated by the answer does not make the misstatement material, if the company did not avail itself of the opportunity to investigate when informed that there was some question as to the insurability of the applicant.

For example, in *Pipes vs. World Ins. Co. of Omaha*, 150 Fed. Supp. 370 (La.-1957) the insured indicated that

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had albumen in his urine in the past. The proof indicated that the insured not only had albumen but suffered from nephritis. The insured, however, was unaware of that fact. The court held in effect that the insured did not know the answer was false and that the answer put the company on notice of the possible existence of a kidney condition and that the company should have investigated more thoroughly.

However, this rule seems to be losing its appeal with the courts. Mr. Harnett said, and recently such incorrect or incomplete information has been held to be insufficient to put the insurer on notice and that an obligation to investigate further cannot be imposed upon the insurer. This seems to be particularly true in those instances of non-medical life insurance and accordingly would be applicable in A&S cases where the insurer is limited in its knowledge to the statements made by the insured in his application.

Rescission Is Permitted

"Thus, we may conclude that the courts have recognized the fact that the contract is made on reliance of the insured's statements in his offer, i.e., the application, and that is what the company accepts and if there is a mutual mistake of fact the insurer is permitted to seek the remedy of rescission," said Mr. Harnett.

Unlike the incontestable clause in a life policy, the uniform A&S policy provision specifies that fraudulent misstatements survive the incontestable period. Thus, a lawyer in advising his insurer client when availing of this defense based on fraud must find the classic elements of fraud: (1) Deception; (2) with intent to deceive;

(3) purpose of inducing one party; (4) with reliance thereon, and (5) to act to his detriment and damage in relying on the statement.

Proof Is Needed

"Here, in each case you are faced with a matter of proof, i.e., can it be shown that the insured knew his misstatement and attempted to deceive the insurer?" said Mr. Harnett. "This can run the gamut of possibilities and is essentially a question of fact. I have been unable to find any cases specifically interpreting the standard provisions, but some prior decisions on life policies indicate the scope of the problem and the validity of the exclusion of fraud from the incontestable clause.

"In the event that the insured's fraud is not capable of proof, and the incontestable clause has run, consideration should be given to the possibility of seeking reformation. It has been held in life insurance policy litigation that the incontestable clause does not bar reformation. The same rule should be held applicable to the accident and health policy."

To Offer 300,000 Shares

American Service Life of Oklahoma City has filed a registration statement with the SEC of a proposal to make a public offering of 300,000 shares of common stock at \$3.50 a share. A total of 375,000 shares would be registered. The company now has 125,000 common shares.

The offering is to be made on a best efforts basis by First Investment Planning Co. of Washington, D. C., which will receive 50 cents per share as commission, and also will buy two-year warrants to purchase 30,000 com-

mon shares at \$3.50. J. C. Spellman, sole proprietor of First Investment Planning Co. and a vice-president and director of American Service Life, along with other founders and directors of American Service Life will be entitled to purchase warrants for an additional 45,000 shares of stock.

American Service Life was organized in 1959 to sell primarily to veterans groups and through the mail to individual veterans. The prospectus for the SEC states that the company may acquire other life companies with the proceeds of the financing, and the proceeds also may be used for the acquisition of additional home office facilities.

Occidental Of Cal. Slates Meetings

Occidental Life of California has scheduled regional conventions next year at San Francisco, March 13-16, and at Chicago, March 20-23. The company's Top Club convention will be held April 3-6 at Mexico City.

Fifty-five group agents of Great-West Life attended a 4-day group conference at the home office.

John F. Ryan Takes Charge Of N. Y. Life's Product Development

John F. Ryan, vice-president and actuary of New York Life, has been named vice-president in charge of product development. In his new post, Mr. Ryan will be directly responsible to Clarence J. Myers, chairman and president.

According to Mr. Myers, this will be the first time that product development has become the full-time responsibility of a New York Life executive officer.

Mr. Ryan, a fellow of Society of Actuaries, was appointed assistant actuary in 1945, executive assistant in 1949, assistant vice-president in 1950, 2nd vice-president in 1954, vice-president in 1956 and vice-president and actuary in 1957.



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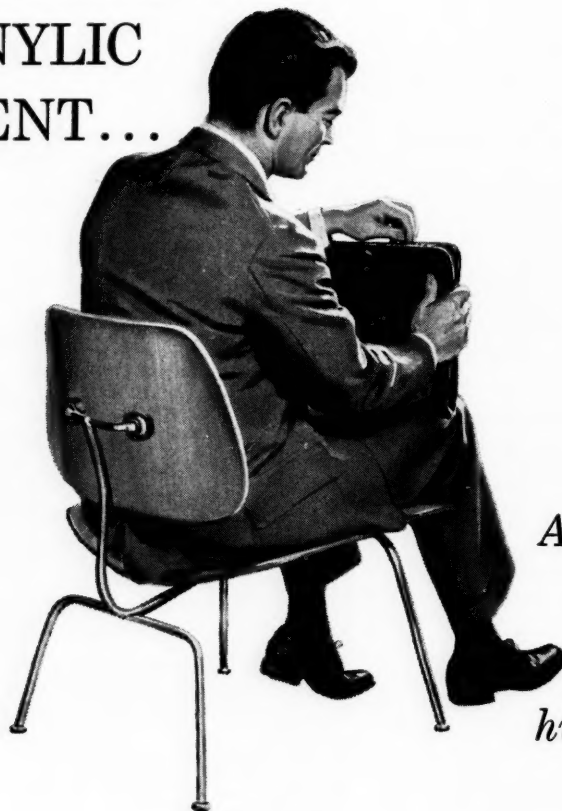
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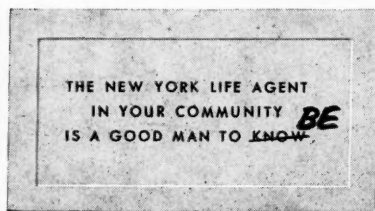
Part One covers insurance fundamentals and basic Nylic selling techniques . . . then goes on to single-need selling, merchandising insurance, selling through service, multiple-need and total-need selling, expanding markets, and marketing mass coverages. **Part Two** covers program selling through planned security.

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